

of State to continue to completion the collecting, editing, and publishing of official papers relating to the Territories of the United States; without amendment (Rept. No. 704). Referred to the Committee of the Whole House on the State of the Union.

Mr. IZAC: Committee on Naval Affairs. S. 58. An act to amend an act entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes," approved July 24, 1941, as amended, and for other purposes; with amendment (Rept. No. 705). Referred to the Committee of the Whole House on the State of the Union.

Mr. BIEMILLER: Committee on Naval Affairs. S. 397. An act to provide for the presentation of medals to members of the United States Antarctic Expedition of 1939-41; without amendment (Rept. No. 706). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Naval Affairs. H. R. 319. A bill to increase the number of midshipmen allowed at the United States Naval Academy from the District of Columbia; with amendment (Rept. No. 707). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 289. Resolution waiving points of order against the bill, H. R. 3368, making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes; without amendment (Rept. No. 708). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FULTON:

H. R. 3402. A bill to establish a United States Women's Naval Academy; to the Committee on Naval Affairs.

H. R. 3403. A bill to establish a United States Women's Military Academy; to the Committee on Military Affairs.

H. R. 3404. A bill to provide for the establishment of a United States Naval Aviation Academy; to the Committee on Naval Affairs.

H. R. 3405. A bill to provide for the establishment of a United States Military Aviation Academy; to the Committee on Military Affairs.

H. R. 3406. A bill to provide for a three-fold increase in the number of midshipmen at the United States Naval Academy; to the Committee on Naval Affairs.

H. R. 3407. A bill to provide for a three-fold increase in the Cadet Corps at the United States Military Academy; to the Committee on Military Affairs.

By Mr. NEELY:

H. R. 3408. A bill to authorize a preliminary examination and survey of Buffalo Creek and its tributaries, West Virginia and Pennsylvania, for flood control, for run-off and waterflow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. RANDOLPH:

H. R. 3409. A bill to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. ROBERTSON of North Dakota:

H. R. 3410. A bill authorizing the construction of a free highway bridge across the Yellowstone River near Fairview, Mont.; to the Committee on Interstate and Foreign Commerce.

H. R. 3411. A bill granting the consent of Congress to the State of North Dakota to construct, maintain, and operate a free highway bridge across the Missouri River; to the Committee on Interstate and Foreign Commerce.

By Mr. BREHM:

H. R. 3412. A bill to amend the Public Health Service Act so as to provide assistance to States in developing and maintaining dental health programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEMKE:

H. R. 3413. A bill to provide promotion of certain retired officers of the Army, Navy, Marine Corps, and Coast Guard who served as commissioned officers during two wars; to the Committee on Military Affairs.

By Mr. TRAYNOR:

H. R. 3414. A bill to amend the Public Health Service Act so as to provide assistance to States in developing and maintaining dental health programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LYLE:

H. R. 3415. A bill to amend the Servicemen's Dependents Allowance Act of 1942 to provide for the continuance during the present war of the payment of monthly family allowances to dependents of enlisted men who die in service; to the Committee on Military Affairs.

By Mr. CANNON of Florida:

H. R. 3416. A bill to provide fair and just compensation for the use of any building, as defined in this act, by the United States and to provide for mutual cancellation rights between the lessor and the lessee, for the use of such building where governed by a written lease executed after December 7, 1941; to the Committee on Public Buildings and Grounds.

By Mr. REES of Kansas:

H. Res. 288. Resolution providing for the investigation of the handling and disposal of surplus Government property and Government-owned war plants; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to increase the subsistence allowances for war veterans while pursuing educational courses under the GI bill of rights, so-called; to the Committee on World War Veterans' Legislation.

Also, memorial of the President of the Chamber of Deputies of Lebanon, relative to the strife in Lebanon; to the Committee on Foreign Affairs.

Also, memorial of the President of the Chamber of Deputies of Syria, relative to the strife in Syria; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to the establishment of a system of unemployment insurance in the maritime industry; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 3417. A bill for the relief of Clarence J. Spiker and Fred W. Jandrey; to the Committee on Foreign Affairs.

By Mr. MCGEEHEE:

H. R. 3418. A bill to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire at the United States Naval Convalescent Hospital, Banning, Calif., on March 5, 1945; to the Committee on Claims.

By Mr. SHAFER:

H. R. 3419. A bill for the relief of the estate of Mrs. Mary Karalis; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

889. By Mr. COCHRAN: Petition of Anna E. Filip and 30 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

890. Also, petition of Henry G. Lear and 32 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

891. Also, petition of Jack Pessina and 31 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

892. Also, petition of Joseph Blow and 21 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

893. Also, petition of E. M. West and 29 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

894. By Mr. SULLIVAN: Petition of Charles K. Baker and 234 other citizens of St. Louis, Mo., urging the passage of legislation enabling the tenants and occupants of Delmo Labor Homes to purchase these homes on long terms at low interest rates, so that these Missourians will not be evicted and rendered homeless under the farm-security program, now pending, to liquidate this project by sale to the highest bidder; to the Committee on Agriculture.

895. Also, petition of Andrew Jackson Carter and 252 other citizens of Missouri, urging the passage of legislation enabling the tenants and occupants of Delmo Labor Homes to purchase these homes on long terms at low interest rates, so that these Missourians will not be evicted and rendered homeless under the farm-security program, now pending, to liquidate this project by sale to the highest bidder; to the Committee on Agriculture.

896. By the SPEAKER: Petition of Robert Bettancourt and sundry others, of New York City, N. Y., petitioning consideration of their resolution with reference to House bill 2346; to the Committee on the Merchant Marine and Fisheries.

897. Also, petition of Samuel C. Pandolfo, petitioning consideration of his resolution with reference to a redress of grievances; to the Committee on the Judiciary.

898. Also, petition of the secretary, Texas Synod of the Evangelical and Reformed Church, petitioning consideration of their resolution with reference to their approval of Senate bill 101 and House bill 2232; to the Committee on Labor.

899. Also, petition of the secretary, Upper Mississippi Valley Water Use Council, petitioning consideration of their resolution with reference to a survey of the Upper Mississippi River Navigation Reservoirs; to the Committee on Rivers and Harbors.

SENATE

FRIDAY, JUNE 8, 1945

(Legislative day of Monday, June 4, 1945)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Reverend Jacob S. Payton, D. D., Washington, D. C., Assistant Director of the General Commission on Army and Navy Chaplains, offered the following prayer:

Almighty God, our Heavenly Father, we acknowledge Thy excellency, we return thanks for Thy continued goodness, and confess to Thee our sins and shortcomings. Amid the tribulations of our times, we need Thy peace for our hearts. In a day of confusion, we require the clarifying wisdom which is from above. In a world clamorous with many voices, teach us to take heed that we may hear what the Lord doth say. For all such help we turn to Thee, O Lord, whose mercy endureth forever, and whose promises to those who put their trust in Thee are faithfully kept.

We invoke Thy blessing upon Members of this body. Grant them strength for their labors, discernment of policies that make for national righteousness, courage for the realization of their ideals, and always a steadfast faith in Thee in directing the destinies of America.

Sustain our fighting forces with valor and guard us against failure to protect and preserve the peace and the liberties now being bought by their sacrifices. We offer our prayer in the name of Jesus Christ our Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 7, 1945, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 7, 1945, the President had approved and signed the joint resolution (S. J. Res. 66) to extend the statute of limitations in certain cases.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 3314) to provide for the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development, in which it requested the concurrence of the Senate.

THE PRESIDENT'S PRESS CONFERENCES—ARTICLE BY ARTHUR KROCK

Mr. HATCH. Mr. President, the true measure of any man's greatness is nearly always demonstrated by the methods and the way in which he exercises power or discharges high responsibilities. A little man, given unusual power, does not take very long to demonstrate his littleness. A truly great man equally demonstrates his greatness by the simplicity and the humbleness with which he exercises and discharges power and high responsibility. No man was ever more suddenly thrust into position of great power and high responsibility than was the man who now sits in the White House.

This morning I happened to pick up the New York Times and read the article by Mr. Arthur Krock entitled "The President's Own Press Technique." The

article describes President Truman and, in a measure, demonstrates how daily President Truman is giving evidence to the Nation and to the world that in the exercise of the great powers which have come to him and in the discharge of the high responsibilities of his office he is showing every mark of true greatness. In the last paragraph of the article Mr. Krock says:

Such is Mr. Truman's press conference technique, which really isn't technique at all, being simply Mr. Truman of Independence, Mo.

Mr. Krock makes plain that the President of the United States in remaining and being Mr. Truman of Independence, Mo., is showing every element and every mark of genuine and true greatness.

Mr. President, I ask unanimous consent that the entire column written by Mr. Krock be printed in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. Without objection, the article will be inserted in the RECORD as requested.

The article is as follows:

THE PRESIDENT'S OWN PRESS TECHNIQUE (By Arthur Krock)

WASHINGTON, June 7.—Mr. Roosevelt's press conferences were usually interesting events, and often dynamic and sensational. He used this important medium of public information with a skill that had become professional before he left Albany for Washington. So greatly did he value the press conference as a governmental, political, and personal instrument that he rarely interrupted his semiweekly schedule. When the President died it was generally thought that no successor could bend this bow of Ulysses as effectively.

But in the brief period of his Presidency Mr. Truman has already demonstrated that he, too, is a master of the press-conference medium and that he has a technique all his own. The method differs widely from Mr. Roosevelt's, but in the following respects it is superior:

Mr. Truman does not hold a press conference until he has a budget of important news to impart, and then he fires it off with the rapidity and accuracy of the veteran artilleryman he is. He is always clear and direct. He answers promptly and precisely such questions as he wishes to answer. But he gives his auditors so much work to do in reporting what he has told them that little inclination to question remains, and none for those speculative and trouble-laden interrogations which were so tempting to Mr. Roosevelt and to which he often made improvised or hasty replies that got him into difficulties. Such questions were time-fillers on the numerous occasions when the late President had little or no news, and therefore there was no reason for the conference to be held at all.

SWAMPING THE REPORTERS

In 14 minutes today, for example, Mr. Truman gave the material for almost a dozen news articles—all important, some very important. By the time he had completed his budget the press and radio reporters were eager to get to their typewriters and their microphones, for time is always running against their busy trade. The questions that were addressed to the President dealt with emergent factual matters such as:

- (1) What about the offshore oil suits? I told the Department of Justice to bring them.
- (2) Do you think the Big Five should meet on Syria, as the French and Russians have suggested? No.
- (3) Can you say anything about Harry Hopkins' report? I'll tell about that here after he has made it.

The exchanges (all quotations herein are paraphrased) were agreeable, but there was no time for jokes and sallies and no atmosphere to engender them. The President is very businesslike when engaged in the major business of reporting to the people through the press conference, and, since that is the sole occupation of those whom he is addressing, his auditors are delighted. For a time some of them may have been apprehensive over the new system of calling them to the President's office at irregular and less frequent intervals. But it is now clear that Mr. Truman is as great a believer in and practitioner of the method as Mr. Roosevelt was, except he has a belief that meetings with the press are mutually useful only when he has news.

YOUNGER APPOINTEES

There were other interesting aspects to today's press conference. One was the repetition of that accent on youth which is becoming more and more audible in Mr. Truman's administration. Two of his new appointees—Lt. Paul Herzog as Chairman of the National Labor Relations Board, and W. Stuart Symington as Chairman of the Surplus Disposal Board—are young men by any standard, and John B. Hutson, the new Under Secretary of Agriculture, is not yet 55. While General Bradley, who will succeed General Hines as head of the Veterans' Bureau, is not young himself, the President's stated reason for the change followed the same line of thinking that has reduced the age of his Cabinet and the administration in general: that the affairs of veterans of a war should be managed by a companion in arms.

This is very independent, clear, and fluid thinking, and, if the thought did not originate with the President, the undoubted conclusion is that he instantly saw the point when it was made. However, since Mr. Truman served in World War I and knows the Veterans' Bureau thoroughly, it is much more probable that the idea is his own. This impression is strengthened by the general one he conveys—that he originates most of the decisions he makes. And certainly when he has cut through doubts, difficulties, and confusions of counsel he is forthright and firm in his position, and gives no suggestion that he wants to escape opposition by gilding hard facts.

That was the way he stated everything today, and the way he has made his announcements at previous press conferences. If anyone thinks travel restrictions should be abandoned, he is asking the impossible, said the President. If travel rationing is necessary, there will be rationing. Members of Congress are grossly underpaid—and diplomats too (answering a question)—and he would sign a bill to give Members \$25,000 a year if Congress sends him such a straightforward measure, said the President. The Government should be the sole employer of its officers and officials, and therefore they should be paid a living wage, said the President.

Such is Mr. Truman's press conference technique, which really isn't technique at all, being simply Mr. Truman of Independence, Mo.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATES, DISTRICT OF COLUMBIA (S. Doc. No. 54)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the District of Columbia (public schools), amounting to \$490,000, fiscal year 1946, in the form of

amendments to the Budget for that fiscal year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

UNIFORMITY AND COORDINATION IN THE CLASSIFICATION OF FIELD POSITIONS TO GRADES OF CLASSIFICATION ACT OF 1923

A letter from the president of the United States Civil Service Commission, transmitting a draft of proposed legislation to further amend the Classification Act of 1923, as amended; to bring about uniformity and coordination in the allocation of field positions to the grades of the Classification Act of 1923, as amended; and for other purposes (with an accompanying paper); to the Committee on Civil Service.

PERSONNEL REQUIREMENTS

A letter from the executive assistant to the Secretary of Commerce, transmitting, pursuant to law, revisions of estimates of personnel requirements for coastal surveys, and working funds, coast and geodetic survey, for the quarter ending June 30, 1945 (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Chamber of Commerce of Tulsa, Oklahoma, favoring the enactment of legislation to prevent the granting of immunities, subsidies, favors, and unfair advantages to cooperative organizations because of their cooperative form and practices, and to place them on an equal and competitive basis with all other business organizations (other than certain farmers and fruit growers); to the Committee on Finance.

A letter in the nature of a petition from Guy W. Ceell, of Detroit, Mich., praying for the enactment of the so-called seamen's bill of rights legislation; to the Committee on Commerce.

By Mr. SALTONSTALL (for himself and Mr. WALSH):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions apprising the President of the United States that further decreases in existing tariff rates, if made by him under authority of the Tariff Act of 1930, as amended, may adversely affect the textile industry in Massachusetts

"Whereas there is pending before the Congress of the United States a bill, printed as H. R. 2652, which in part extends the authority of the President of the United States in the making of proclamations by him increasing or decreasing existing tariff rates; and

"Whereas while it is recognized and agreed that the basic principle involved in the proposed legislation is a necessary part in the work for the establishment and maintenance of world peace, yet any further decreasing of existing tariff rates by the President under such extended authority, if said bill is enacted into law, may result in conditions adversely affecting the textile industry in Massachusetts: Therefore be it

"Resolved, That the General Court of Massachusetts hereby respectfully apprises the President of such result so that he may be guided thereby in acting under the authority aforesaid in the matter of tariff rates; and be it further

"Resolved, That a copy of these resolutions be sent forthwith by the State secretary to the President of the United States and to each Member of the Congress from this Commonwealth."

FRANKLIN D. ROOSEVELT NATIONAL HOLIDAY

Mr. MEAD. Mr. President, I ask unanimous consent to present for printing in the RECORD and appropriate reference a resolution adopted by the officers and members of local No. 76, United Furniture Workers of America, affiliated with the CIO, New York City, N. Y., requesting that January 30 of each year be proclaimed a national holiday in honor of former President Franklin D. Roosevelt.

There being no objection, the resolution was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

To the Congress and the Senate of the United States of America:

We, the officers and members of local 76, United Furniture Workers of America, affiliated with the CIO, after due deliberation do hereby resolve that the Congress of the United States should set aside January 30 of each year and proclaim this day a national holiday to honor the memory and birthday of a man who, during his lifetime, did much to make this world of ours a better place to live in, and who died in the service of his country and of the world.

That man, humanitarian, statesman, and citizen of the world, was our late President and Commander in Chief of the United States, Franklin Delano Roosevelt.

LOCAL 76, UNITED FURNITURE WORKERS OF AMERICA, CIO.

JACK SCHWARTZ, President.

MORRIS PIZER, Secretary-Treasurer.

APPROPRIATION FOR FEPC—TELEGRAM FROM LAUNDRY WORKERS JOINT BOARD OF GREATER NEW YORK

Mr. CAPPER. Mr. President, I have received a telegram from the Laundry Workers Joint Board of Greater New York, William Baron, manager, appealing to the Congress to restore to the war-agencies appropriation bill the item for FEPC legislation. I am heartily in favor of the FEPC bill and ask unanimous consent to have the telegram printed in the RECORD and appropriately referred.

There being no objection, the telegram was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., June 6, 1945.

Hon. ARTHUR CAPPER,
United States Senate:

Behalf of 20,000 laundry workers in Greater New York, we urge you to restore to war agencies appropriations bill the item for FEPC. The future of American democracy rests upon true equality for all its people regardless of race, creed, or color, who gave their sons to preserve this democracy.

LAUNDRY WORKERS JOINT BOARD OF GREATER NEW YORK ACWA,

WILLIAM BARON, Manager.

ROY SODEN, Assistant Manager.

LOUIS SIMON, Secretary-Treasurer.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUSHFIELD, from the Committee on Finance:

S. 830. A bill to provide for designation of the United States Veterans' Administration hospital at Sioux Falls, S. Dak., as the Royal C. Johnson Veterans' Hospital; without amendment (Rept. No. 354).

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

H. R. 3059. A bill authorizing the Postmaster General to continue to use post-office clerks and city letter carriers interchangeably; without amendment (Rept. No. 355).

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT—REPORT OF COMMITTEE ON FINANCE

Mr. GEORGE. Mr. President, the Senate Finance Committee has ordered reported favorably the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which is commonly known as the Trade Agreements Act. The bill provides for an extension of that act. The report may not be ready for filing during the day, and I ask unanimous consent to file it during the recess of the Senate if the Senate shall not be in session tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MEMBERSHIP OF THE UNITED STATES IN THE FOOD AND AGRICULTURAL ORGANIZATION OF THE UNITED NATIONS—REPORT OF COMMITTEE ON FOREIGN RELATIONS

Mr. AUSTIN. Mr. President, I desire to make a request on behalf of the Committee on Foreign Relations. House Joint Resolution 145, providing for membership of the United States in the Food and Agricultural Organization of the United Nations, has been ordered reported favorably, and I was asked to file a report for the committee. The report is not yet ready, but I hope to have it ready soon, and I ask permission to file it in recess.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on June 7, 1945, he presented to the President of the United States the following enrolled bills:

S. 392. An act for the relief of Nebraska Wesleyan University and Herman Platt;

S. 510. An act to amend sections 11 (c) and 16 of the Federal Reserve Act, as amended, and for other purposes;

S. 633. An act to amend the Criminal Code so as to punish anyone injuring a party, witness, or juror on account of his having acted as such; and

S. 889. An act to amend section 47c of the National Defense Act of June 3, 1916, as amended, so as to authorize credit to students now or hereafter enrolled in the senior division of the Reserve Officers' Training Corps for military training received while on active duty in the Army, Navy, Marine Corps, or Coast Guard, or while pursuing a course of instruction in the Naval Reserve Officers' Training Corps.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of May 1945 from the chairman of a certain committee in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

SENATE MILITARY AFFAIRS COMMITTEE, SUBCOMMITTEE ON WAR MOBILIZATION

JUNE 5, 1945.

names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of May 1945, in compliance with the terms of

Senate Resolution 319, agreed to August 23, 1944:

To the Senate:

The above-mentioned committee hereby submits the following report showing the

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Ann S. Gertler.....	3721 39th St. NW., Washington, D. C.	Department of Interior, Washington, D. C.	\$2,000
Hope C. Heslop.....	2 East Maple St., Alexandria, Va.	War Manpower Commission, Washington, D. C.	2,000
Joan P. Karasik.....	1919 19th St. NW., Washington, D. C.	Foreign Economic Administration, Washington, D. C.	3,800
Charles Kramer.....	4621 South 34th St., Arlington, Va.	Office of Price Administration, Washington, D. C.	6,500
C. Theodore Larson.....	3917 North 5th St., Arlington, Va.	National Housing Agency, Washington, D. C.	5,600
Fritzie P. Manuel.....	1621 T St. NW., Washington, D. C.	War Manpower Commission, Washington, D. C.	4,600
Darel McConkey.....	Lanham, Md.	War Production Board, Washington, D. C.	4,600
Cora L. Moen.....	5327 16th St. NW., Washington, D. C.	Office of Price Administration, Washington, D. C.	2,000
Elizabeth H. Oleksy.....	1620 Fuller St. NW., Washington, D. C.	War Production Board, Washington, D. C.	2,600
Mary Jane Oliveto.....	500 B St. NE., Washington, D. C.	National Housing Agency, Washington, D. C.	1,800
Francis C. Rosenberger.....	5814 64th Ave., East Riverdale, Md.	Office of Price Administration, Washington, D. C.	4,600
Herbert Schimmel.....	3604 Minnesota Ave. SE., Washington, D. C.	War Production Board, Washington, D. C.	8,000
Marjorie J. Tillis.....	211 Delaware Ave. SW., Washington, D. C.	Foreign Economic Administration, Washington, D. C.	3,200

H. M. KILGORE, Chairman.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GEORGE:

S. 1121. A bill for the relief of the J. B. McCrary Co., Inc., and for other purposes; to the Committee on Claims.

By Mr. WHERRY:

S. 1122. A bill for the relief of Charles Bryan (with accompanying papers); to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

S. 1123. A bill to encourage the provision of useful public works and for other related purposes; to the Committee on Finance.

By Mr. GUFFEY:

S. 1124. A bill to provide for abatement of tax for members of the armed forces in certain cases, an additional exemption for veterans, and for other purposes; to the Committee on Finance.

By Mr. OVERTON (for himself and Mr. BRIDGES):

S. 1125. A bill to increase the compensation of the Speaker of the House of Representatives, the Vice President of the United States, Senators, Representatives in Congress, Delegates from Territories, the Resident Commissioner from Puerto Rico, and members of the Cabinet; to the Committee on Appropriations.

By Mr. GREEN:

S. 1126. A bill for the relief of Alice A. Murphy; to the Committee on Claims.

By Mr. MAGNUSON:

S. 1127. A bill for the relief of Edward Pittwood; to the Committee on Claims.

(Mr. RADCLIFFE introduced Senate bill 1128, which was referred to the Committee on Commerce, and appears under a separate heading.)

By Mr. PEPPER:

S. 1129. A bill for the relief of Willie H. Johnson; to the Committee on Claims.

(Mr. PEPPER introduced Senate bill 1130, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. PEPPER:

S. J. Res. 74. Joint resolution designating the second Thursday of October of each year as Clara Barton Day; to the Committee on the Judiciary.

READJUSTMENT IN CIVILIAN LIFE OF PERSONS SERVING IN THE MERCHANT MARINE

Mr. RADCLIFFE. Mr. President, I introduce a bill providing aid for the readjustment in civilian life of persons who have rendered war service in the United

States merchant marine during World War II, and to provide aid for the families of deceased war-service merchant seamen.

It is not my intention at this late hour to attempt to discuss the bill, the purposes of which are obvious. Our Government very wisely, and in a sense of undisputed fairness, has made provision that members of the armed forces returning to civilian life shall have some facilities for their aid coming from our Government. It seems only fair and reasonable that something also very substantial and beneficial should also be done for those who have been in the merchant marine and are leaving that service or, in some cases, for their families. We know that in no other war in our history has the merchant marine been called upon to render services as important as those it has rendered during the present one. What they have done has been indispensable. They have served well and nobly. They have made possible our essential operations in all parts of the globe. They have constantly been subject to the dangers and hazards of war. Many members of the merchant marine have given their lives for our country. Picture the tragedy in a loss of 40 percent of ships and men in a trip to Murmansk. Certainly it is meet and proper that suitable recognition by way of legislation be paid to members of the merchant marine for what they have done so bravely and so helpfully. With that purpose in mind, arrangements should be made by the Federal Government by which these returning seamen shall have increased opportunities for civilian life, and their individual facilities should be augmented in various ways by the Federal Government.

The bill (S. 1128) to provide aid for the readjustment in civilian life of those persons who rendered war service in the United States merchant marine during World War II, and to provide aid for the families of deceased war-service merchant seamen, introduced by Mr. Radcliffe, was read twice by its title and referred to the Committee on Commerce.

FAIR AND JUST COMPENSATION FOR USE OF BUILDINGS BY THE UNITED STATES

Mr. PEPPER. Mr. President, I ask unanimous consent to introduce for ap-

propriate reference a bill which is a revised version of another bill I introduced on May 17, being Senate bill 1012, and now pending before the Committee on Military Affairs. I ask unanimous consent that the Committee on Military Affairs be discharged from the further consideration of the bill (S. 1012) to provide fair and just compensation for the use of certain hotels and apartment buildings by the United States and to provide for mutual cancellation rights between the lessor and the lessee for the use of said hotels and apartment buildings where governed by written leases executed after December 7, 1941, and that it be indefinitely postponed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Florida? The Chair hears none, and the bill introduced will be received and appropriately referred, and Senate bill 1012 will be indefinitely postponed.

The bill (S. 1130) to provide fair and just compensation for the use of any building, as defined in this act, by the United States and to provide for mutual cancellation rights between the lessor and the lessee, for the use of such building where governed by a written lease executed after December 7, 1941, introduced by Mr. PEPPER, was read twice by its title and referred to the Committee on Military Affairs.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. MOORE and Mr. TAFT each submitted an amendment intended to be proposed by them, respectively, to the joint resolution (S. J. Res. 30) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 3314) to provide for the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development, was read twice by its title and referred to the Committee on Banking and Currency.

PRINTING OF ADDITIONAL COPIES OF
PART 1 OF HEARINGS BEFORE HOUSE
COMMITTEE ON MERCHANT MARINE
AND FISHERIES ON POSTWAR DISPO-
SITION OF MERCHANT VESSELS

The PRESIDENT pro tempore laid be-
fore the Senate House Concurrent Reso-
lution 62, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on the Merchant Marine and Fisheries of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 750 additional copies of part 1 of the hearings on postwar disposition of merchant vessels held before said committee during the current session.

Mr. HAYDEN. Mr. President, as a courtesy to the House, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

LIDICE MEMORIAL

Mr. PEPPER. Mr. President, Sunday, June 10, will be the third anniversary of the ruthless destruction of the peaceful village of Lidice, Czechoslovakia, by the Germans. The depravity of German conquest against Lidice stands as one of the high crimes of World War II. For the American people to pause and remember Lidice is a sure way for the United States to be reminded of all that we are fighting for in this lightning Global War.

June 10 should always stand as Lidice Day—a remembrance for a kindly liberty-loving people who suffered great tragedy—a reminder that people's towns in the United States might have suffered similar fates had we not had the courage, the material, and the manpower to turn back the Nazi hordes.

There has been organized the Lidice Memorial Committee to keep alive the memory of Lidice.

Lidice has been immortalized; it has become a new symbol for the United Nations of the liberty for which it is fighting. Its memory has not been dimmed by other acts of savagery that added other towns and thousands of innocent victims to the want acts of an enemy who now has been defeated.

With the approach of Lidice Day, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD, following my remarks, an inspiring story of the destruction of Lidice written by Joseph Auslander, famous American poet. It is based on facts furnished by Joseph Horak who watched the wiping out of his home village.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIDICE MEMORIAL

There once was an old, old village in Bohemia, and its name was Lidice. It was a small and peaceful village. There was a church, a school, a farmer's market, a general store. There was a butcher, a baker, a shoemaker, a blacksmith. Indeed, Lidice was such a friendly, tight little village that the people there needed only one of everything.

When the invader came, there were just 89 homes in the village. Every cottage had its own neat vegetable garden. Every cottage had a chicken yard and a goose pen. And in front of each cottage there was a flower bed. In Lidice everyone grew geraniums, and their cheerful rosy red and their spicy smell walked up and down Main Street with the people.

Lidice was a village whose people were content. They did not travel to the big cities. Sometimes one of them went as far as Prague, to bring back wondrous tales of the ancient cathedral, the splendid markets, the beautiful national theater. But for the most part, the people of Lidice lived to themselves, and the great outside world of cities whose magical towers glittered in the twilight was but a dream and a dreamer's tale.

In other words, Lidice was literally the people's town; in a very real sense, the village of the world. Everybody has a little piece of Lidice in his heart.

In the morning, the farmers went afield to cultivate the land. And the miners went down into the coal pits to labor; but all returned home after the Angelus.

When the invader came, the people—there were only 628 of them altogether—were trampled under his iron boot; still they fared no better and no worse than a thousand other villages. They were subjected to numerous inspections and inquisitions; they resisted to the utmost.

And then, on May 27, 1942, in far away Prague, two Czech patriots shot and fatally wounded Reinhard Heydrich—Heydrich, the hangman—deputy Reich protector of Bohemia-Moravia, and deputy gestapo chief, who had been sent from Berlin to keep the Czechs in line with whip and bullet and rope, but especially with rope, whence came his nickname—the hangman.

Heydrich died on June 4. A reward of \$225,000 was posted for the capture of the patriots. They were never captured.

The hangman's state funeral, on June 7, was an occasion of barbaric splendor. No royal personage has been followed to his grave by a more spectacular cortege. And, in that dreadful funeral procession, marched the ghosts of 2,000 innocent people of Prague, murdered that they might escort the hangman to his final doom. These murdered folk included judges, architects, physicians, artists, university professors, students, and just plain people.

But the 2,000 were not enough. Some memorial to shock the world, grown almost shockproof through the monotonous accumulation of horror upon horror, must be provided for the hangman. So Lidice was chosen for that infamous honor.

On June 10, a certain Joseph Horak, villager of Lidice, was arriving home from a visit to Prague. He took a short cut through the woods; the morning was clear and peaceful; the village was still sleeping. From a small hill he saw to his dismay, that Lidice was surrounded by the invader's tanks. Then the dive bombers swooped down. Whole families; men, women, and children, rushed forth from their houses in helpless terror only to be met and mowed down by machine guns. Those who remained in their cottages were barricaded in by the invader's foot soldiers, and the houses set on fire. Then the tanks moved forward to level the village; the foot soldiers went about in squads to slaughter any stray survivors, and finally all of Lidice was flaming in one vast funeral pyre of innocent martyrs. When the invader left the smoking ruins, there was indeed a terrible memorial.

The excuse, of course, was that the two Czech patriots who had shot the hangman were concealed there. But we know now that if the invader had not made an example of Lidice, it would have been some other village—some similar peaceful spot on which to

visit vengeance. For by now there have been a thousand Lidices—in France, in Greece, in Norway, in all the ravaged lands—but this Lidice in Bohemia is the mother of all Lidices, for here the furious degradation of the invader first found its consummation.

There is an enormous patience and courtesy in the earth. The grass eternally forgives, the grass has grown over the graves of the martyrs. But the wounded heart cannot ever quite heal over. Out of the wounded heart, slow drop by drop, has grown the dream and the plan that is the resurrection of Lidice.

Lidice, the quiet little village, was unknown to the world. Lidice, the symbol, belongs to the whole world—to every liberty-loving human being—of every race and creed and color. Today the very word "Lidice" stands for those virtues of the human heart, those values and graces of man's imperishable spirit which alone confer on time the dignity of timelessness and which alone give to life meaning, direction, and grandeur.

In America, the land of freedom, the children of Czechoslovakia join with all the free children of earth to rebuild Lidice. All freemen have a stake in Lidice. This new Lidice will be a place where again grandfather may go about his farming, and grandmother spin and weave; where father may work the mines, and mother bake the good bread that keeps the family strong; where the children can sing and play in the public square. The village will be restored and forever, towering above it, tall enough to be seen even as far away as the shining mountains, will stand a great cathedral of the heart, wrought of granite and bronze. This will be a monument devoid of hate, revenge, and pride. It will be a place of pilgrimage for every living soul in our time and in all future times, a place of forgiveness—and of peace.

On the site, once famous for its cherry orchards, will rise this monument of mercy; it will be built by Czech labor on land pledged by the Czech Government. The Czechs are a proud people. They do not want the dole and the soup kitchen. They ask only to earn their bread in the sweat of their labor, as freemen worthy of their hire. For them and for this noble work of their hearts and hands, all funds contributed by freemen everywhere will be used.

The ruins of the old Lidice will remain untouched as a cemetery for the bones of the innocent martyrs and the ashes of their homes. On one side of the valley will spring the new, modern Lidice; on the other, and facing it, will stand this memorial—both city and memorial tangible and eternal witnesses to Czech labor and universal brotherhood.

This, then, is the dream and the plan that have grown, slow drop by drop, out of the wounded heart and the heart's faith. A renowned Czech-American sculptor and a Czech architect have fashioned the form of the dream. It is the duty and privilege of the free peoples of earth to give it shape and substance.

When this cathedral is built and the village is restored, the word Lidice will take on still another meaning. It will be the living symbol of Christ's compassionate utterance and promise: "Come unto me, all ye that labor and are heavy laden, and I will give you rest." Lidice will remain forever the measure of the depths to which man can descend—and the heights to which he can rise.

SOVIET-AMERICAN UNITY IN VICTORY
AND PEACE—ADDRESS BY SENATOR
PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him in New York City on May 31, 1945 as a part of a program entitled

"Salute to the GI's," which appears in the Appendix.]

RESEARCH FOR HEALTH—ARTICLE BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the Appendix of the Record an article entitled "Research for Health" written by him and published in the New York Times of April 10, 1945, which appears in the Appendix.]

ADDRESS BY SENATOR MYERS AT COMMENCEMENT EXERCISES, CATHOLIC UNIVERSITY

[Mr. GUFFEY asked and obtained leave to have printed in the Record the address delivered by Senator MYERS at the commencement exercises, Catholic University of America, Washington, D. C., May 23, 1945, which appears in the Appendix.]

INCREASE IN PAY FOR POSTAL EMPLOYEES—ADDRESS BY SENATOR MYERS

[Mr. GUFFEY asked and obtained leave to have printed in the Record a radio address on the proposed increase in pay for postal employees delivered by Senator MYERS on April 21, 1945, at Philadelphia, which appears in the Appendix.]

ASSOCIATE JUSTICE JACKSON'S REPORT ON TRIALS FOR WAR CRIMINALS

[Mr. BROOKS asked and obtained leave to have printed in the Record the report to the President of the United States by Associate Justice Robert H. Jackson, chief of counsel for the United States in the prosecution of Axis war criminals, which appears in the Appendix.]

PLAN TO END WORLD TRADE CURBS—ADDRESS BY GOVERNOR DEWEY

[Mr. TOBEY asked and obtained leave to have printed in the Record an address delivered by Governor Dewey on June 7, 1945, offering a plan to end world trade curbs, which appears in the Appendix.]

TRIBUTE TO ERNIE PYLE BY JOSEPH L. DAILEY

[Mr. HATCH (on behalf of Mr. WILLIS and himself) asked and obtained leave to have printed in the Record an address delivered by Joseph L. Dailey at Albuquerque, N. Mex., May 13, 1945, in tribute to the late Ernie Pyle, which appears in the Appendix.]

WHY I AM AN AMERICAN—ESSAY BY GEORGE J. CHRYSSIKOS

[Mr. MEAD asked and obtained leave to have printed in the Record an essay by George J. Chryssikos, of New York City, entitled "Why I Am an American," which appears in the Appendix.]

OPPOSITION TO MISSOURI VALLEY AUTHORITY BILL

[Mr. LANGER asked and obtained leave to have printed in the Record an editorial entitled "Battle of Befuddlement," relating to opposition to the Missouri Valley Authority bill, published in the Progressive of June 4, 1945, which appears in the Appendix.]

FARM MACHINERY

[Mr. LANGER asked and obtained leave to have printed in the Record an article from the McLean County (N. Dak.) Independent of May 31, 1945, entitled "Increase Possible in Farm Machinery," and also three postal cards relative to the exportation of farm machinery from Canada through Portal, N. Dak., which appear in the Appendix.]

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACT OF 1942

The Senate resumed the consideration of the joint resolution (S. J. Res. 30) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. TAFT obtained the floor.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	O'Daniel
Austin	Guffey	O'Mahoney
Ball	Hart	Overton
Bankhead	Hatch	Pepper
Barkley	Hayden	Radcliffe
Bilbo	Hickenlooper	Reed
Brewster	Hill	Robertson
Bridges	Hoey	Saltonstall
Brooks	Johnson, Calif.	Shipstead
Buck	Johnson, Colo.	Smith
Burton	Johnston, S. C.	Taft
Bushfield	La Follette	Thomas, Okla.
Butler	Langer	Tobey
Capper	Lucas	Tunnell
Chandler	McKellar	Tydings
Chavez	McMahon	Wagner
Donnell	Magnuson	Walsh
Downey	Mead	Wherry
Ellender	Moore	White
Fulbright	Morse	Wilson
George	Murdock	
Gerry	Myers	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. BRIGGS], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] are absent on public business.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent in Europe visiting battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Washington [Mr. MITCHELL] are absent in Europe on official business for the Special Committee Investigating the National Defense Program.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent in Europe on official business for the Interstate Commerce Committee.

The Senator from Nevada [Mr. McCARRAN] is absent on official business.

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from Michigan [Mr. FERGUSON] is absent on official business of the Senate as a member of the Mead Committee.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business as a member of the Board of Visitors to the United States Merchant Marine Academy.

The Senator from Indiana [Mr. WILLIS] is necessarily absent by leave of the Senate.

The PRESIDENT pro tempore. Sixty-four Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I spoke at such length yesterday that I really feel ashamed to speak again, and shall speak but a few moments simply to summarize the position which I took yesterday.

One thing has happened which I think illustrates the point I was trying to make yesterday, that it is not possible completely to prevent inflation because to do so is to freeze injustice as well as justice, and people will not stand for freezing injustice, particularly as to individuals. The result has been that in the last 2 years, while prices have been held stable, wages have increased approximately 12 percent by the very lowest method of calculation, and that has increased the costs of all manufacturers, processors, and distributors.

The parity price of every important agricultural product has increased 10 percent in the last 2 years, and thus costs have increased. But the OPA has refused to pass on that increase in costs in any ultimate retail price. The OPA has forced all manufacturers to absorb that difference. Yesterday the House of Representatives insisted upon increasing the allowance of its Members by \$2,500, and President Truman yesterday approved that course, because apparently he felt that Members of Congress represented such an extreme case of injustice that there should be exception, if you please, to the wage freeze formula in their favor.

Certainly we cannot claim any longer that we have adopted a freeze policy in this country. The only thing that is frozen today is the price of manufacturers and the retail price to the consumer. The attempt to hold that has created

such a squeeze that, as I showed yesterday, in many industries there is today a maximum price which requires industries to sell at a loss. That is as unjust as it is to pay Members of Congress only \$10,000 a year. It is something that should be corrected from the point of view of justice. But, more important than that, if we maintain the manufacturer's price, we cannot induce new people to go into business to make the products which can only be made at a loss. If such products are only one-fourth or one-fifth of the total, nevertheless such a situation reduces our capacity to put people to work; to put to work in this year 1945 the four or five million men who are going to be released from the Army and from their present employment.

Mr. President, I say that the OPA must be told, and OPA can be told by the adoption of the Thomas amendment or by the adoption of my amendment, as you choose, that that policy must be changed; that when costs are adjusted prices must also be adjusted or we cannot hope for a successful period of reconversion.

The amendments which are presented by the Senator from Oklahoma [Mr. THOMAS] and myself do no more than prescribe the original idea of the Price Control Act. The second section of that act clearly shows the intention that if costs are increased prices shall be increased, and the OPA has consistently disregarded that provision.

Furthermore, the proposal is not substantially different from the formula which OPA itself has announced for goods the manufacture of which has been suspended, which I read yesterday, which provides for adjusting upward on the basis of increase in cost. The difficulty is with other sections of the act, and the regular practice of the OPA shows that while it makes such a statement it actually intends, if it possibly can, to insist upon everything being sold at 1942 prices, in spite of increase in costs ranging from 10 to 30 percent. Certainly, if this is the policy of OPA, there is no reason that I can see why we should not write a provision into the law so that it will be definitely tied down. I am not satisfied to accept any longer the statement of OPA that it is going to correct the situation. With respect to meat, OPA has said that three times, and each time it has had to make another concession, because the first concession made was inadequate, and OPA was still dominated by the thought that there must be a freeze of prices.

In conclusion, I should like to read the statement made by Mr. J. A. Krug, the Chairman of the War Production Board, because he states the philosophy of the reconversion period, which I think must control prices just as much as it controls production. This appears in his official statement issued on May 27, the Krug report on the needs and methods of reconversion. Mr. Krug said:

Desirable though it may be to attempt to prevent temporary economic dislocations—

And that is perhaps what a slight increase in price may be called, a tempo-

rary economic dislocation, until we obtain full production—

Desirable though it may be to attempt to prevent temporary economic dislocations, the experience of those who have lived with these controls during the war clearly dictates that the controls are not suited to that job.

Also, we may say that the price policy is not fitted to the job of increasing production.

Moreover, reason and history indicate that, in any readjustment from a war- to a peacetime economy, temporary dislocations are inevitable.

We must not be stampeded by such dislocations into elaborate controls or special dispensations. Our economy is a jigsaw pattern of interlocking buyers and sellers, producers and consumers. The pieces of the jigsaw will move into place best if we give people scope and leeway—with a minimum of rules, regulations, and production controls.

He might well have said price control.

This is the statement of Mr. J. A. Krug, Chairman of the War Production Board, as to the policy which dominated the War Production Board in maintaining production controls in the reconversion period.

Finally, he said this:

The danger confronting us, as I see it, is that we will overlook the natural resilience of the economy—the capacity of manufacturers, wholesalers, and retailers to readapt themselves to changed conditions and hence quickly to utilize the resources released from munitions production. If we were to attempt in Washington to see that every manufacturer, wholesaler, or retailer got his exact share of released manpower or materials, we should be lost in a myraid of rules and regulations. We should get in the way of reconversion rather than speed it.

There is nothing which will so hamper business as the attempt to impose strict controls, controls which are difficult to understand, and in some cases impossible to conform to without actual loss of money, and, of course, in the case of small concerns, going out of business. I believe that in our price policy we should require the OPA to follow the philosophy which dominates the most important section of the administration, the War Production Board.

Mr. ELLENDER. Mr. President, I ask the indulgence of the Senate to hear me briefly with respect to the pending amendment. Before I proceed to a discussion of the amendment, however, I desire to refer to certain data that I have at hand and other that I placed in the RECORD on May 7 and May 15, when I presented some of my reasons for continuing price-control legislation for another 18 months.

To hear the distinguished Senator from Ohio [Mr. TAFT] and others of my colleagues speak, one would judge that bankruptcy faces many businesses throughout the country, and that unless the pending Thomas amendment or the Taft amendment is adopted by the Senate, we shall be faced with depressing conditions throughout the country. I do not believe that the financial status of industry for the past 4 years, when compared with the record of prewar years, will disclose any adverse condi-

tions. On the contrary, it will show enormous profits in every line of industry, and there is no reason for one to be apprehensive of the future business of this country should the OPA be extended without amendments.

Judging from the statements made by the Senator from Ohio [Mr. TAFT], it seems to me that he is arguing and trying to show that higher prices means more production. That is not the case, as borne out by impartial figures produced by me on May 7 in a speech delivered by me on this floor. I made a comparison of the rise in prices during World War I with the increases which occurred during World War II, and also compared production during the two wars. This is the picture:

Using 100 in each case when the war started, for the years 1914 and 1939, respectively, prices increased 83 percent from 1914 to 1918. From 1939 to 1944 they increased 21 percent.

Let us see what the effect was on production. Using 100 as a figure for 1914 and 1939, respectively, the years in which the two World Wars started, production increased 25 percent during World War I. It had increased to 26 percent in 1917, but it went down 1 percent in 1918.

Let us contrast that with what happened during this war. Using the figure of 100 for 1939, we see that in 1944 production increased 116 percent, in comparison with a measly 25 percent during World War I. Mr. President, there is no question in my mind that that enormous increase in production has been caused to a large extent by a stabilized economy brought about through price and wage stabilization.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I would prefer not to yield at this point. I shall be glad to yield in a few minutes. I should like to follow through with the subject I am now discussing.

As I indicated a moment ago, to hear some of my distinguished colleagues argue, one would judge that the profits of business have been on the down grade. Let us see what the record shows. I shall cite figures from Moody's Industrials, a publication which is issued in book form. These figures show the gain over peacetime profits of 1589 manufacturing concerns.

This table considers manufacturing as a whole, and then the different kinds of manufacturing, and shows the increase from the prewar period (average 1936-39) to the present in some cases. The figures also demonstrate the increases from the prewar period up to 1943.

The increase in the case of all manufacturing is 256 percent; tobacco products, 36 percent; petroleum and coal, 113 percent; chemicals, 142 percent.

Yesterday my good friend from Ohio [Mr. TAFT] complained about the profits in the furniture and finished lumber industry. The increase in that industry, up to 1943, was 291 percent.

Mr. TAFT. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from

Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I yield.

Mr. TAFT. With what year is that figure compared?

Mr. ELLENDER. That figure represents the increase during 1943.

Mr. TAFT. 291 percent over what?

Mr. ELLENDER. Over the average period 1936 to 1939.

Mr. TAFT. Of course, they lost money in the period from 1936 to 1939, so there is no difficulty in showing an increase of 291 percent.

Mr. ELLENDER. This is a comparison of conditions before the war with those during the war; and the figures show a large increase in profits. To continue from the Moody statistics: Paper and allied products, 304 percent; textile-mill production, 503 percent. As the Senator pointed out, it may be that some plants lost money during the period 1936-39, but no one would say they are now losing money, with an increase of 503 percent over the 1936-39 period.

Reverting to our industrial production, of which all of us are proud, and which has made it possible for us not only to prepare ourselves for war but to aid our allies, so that the war could be won sooner: Using 100 for the production in the 1935-39 period, in 1920 it was 75 percent; in 1929, 110 percent; in 1937, 113 percent; in 1939, 109 percent; in 1940, 125 percent. That was just about the time when we started our defense production. In 1941 it was 162 percent. Then, when we got in the war and when price controls were placed in effect, in 1942, it was 199 percent. In 1943 it was 239 percent, and in 1944, 235 percent.

Mr. WHERRY. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I now yield to the Senator.

Mr. WHERRY. What do the figures the Senator has been citing prove? In answering my question, I should like to suggest most kindly to the distinguished Senator that our war debt has been increased to \$300,000,000,000, and I should like to know whether the figures the Senator has been citing include it. Do the figures the Senator has been stating for our benefit reflect that increase? Anyone can pick out any 3- or 4-year period when we spent \$100,000,000,000, and can show an increase in all industrial production in this country. Certainly that is not a basis for the conclusion that the OPA legislation should continue as it is, without amendment. Certainly the Senator cannot be contending that that has anything to do with a determination by the Senate whether the country needs to have OPA legislation amended, rather than to have it continue upon a basis on which only industry can operate at a profit.

Mr. ELLENDER. Well, Mr. President, the contention has been made on the Senate floor in the last several days that prices should be increased, and that an increase in prices will result in increased production. I have just pointed out that that was not the case during World War

I. Higher prices do not bring about increased production.

Mr. WHERRY. Mr. President, let me ask the Senator whether the Government uses a standard of rising prices in order to obtain production. Through 73 corporations the Government spent \$100,000,000,000 last year. What do the Senator's figures prove when we come to the point whether it helps all industry?

Mr. ELLENDER. The figures I have cited and those that I propose to produce will show that business is in the best of health and in fact in the best condition it has ever been.

Mr. WHERRY. That is because the Government makes the contracts and does not use the OPA standards when doing so. That is the reason. Does the Senator contend that there is a surplus of food products in the country at this time?

Mr. ELLENDER. Well—

Mr. WHERRY. Yes; the Senator must pause there, because obviously there is a shortage of food products.

Mr. ELLENDER. Just a moment. I desire to try to answer the two questions propounded to me by the Senator. Price controls are applied to all industries including steel, copper, and other metals. Now as to food products, I did not intend to discuss the issue at this time, but let me say to the distinguished Senator that by contrast there is a large increase in food production; yes. I wish to state to the Senator that, as I have pointed out in debate on several occasions, when we compare the 1944 food production with prewar production, even though we have at present 6,000,000 less farmers than in prewar days, we find that we have been able to produce one-third more food in this country. Does the Senator question that statement?

Mr. WHERRY. I deny that there is a maximum food production in this country. On the other hand, I wish to suggest to the Senator—

Mr. ELLENDER. I am asking whether the Senator will deny—

Mr. WHERRY. I wish to suggest to the Senator that there is a scarcity of food in this country, to such an extent that unless the situation is materially improved we shall have plenty of trouble within the next 6 months.

Mr. ELLENDER. Oh, I have heard similar statements ever so often. Famines were predicted 2 years ago, but our food production has been on a steady increase as to most products. I contend that if the Thomas amendment and the Taft amendment are adopted we shall have less food. Why? Because by those amendments the farmers will not be taken care of at all, and their cost of production will be tremendously increased, as I will endeavor to show in the course of my remarks. The amendments help the processors and manufacturers and overlook the farmers and other producers of raw materials.

Mr. WHERRY. Mr. President—

Mr. ELLENDER. I am sorry; I do not wish to go into that phase of the matter at the moment any further. I prefer to follow through with the line of

thought I started with and when I reach that part of my speech dealing with food production I shall be glad to yield to the Senator.

Mr. WHERRY. The Senator does not wish to yield any further; is that correct?

Mr. ELLENDER. Yes; I wish to yield. If the Senator will direct his questions to the subject I am now discussing, I shall be glad to yield.

Mr. WHERRY. I have gathered from the Senator's remarks that he is attempting to show that there is no need for any amendments to the OPA legislation because we are getting plenty of production all the way along the line, and the Senator has been citing figures in order to compare the present situation with the situation in the period from 1936 to 1939, years when there was a substantial decrease in business, and in some cases very little business. The Senator has compared those years with the war years when the Government has done most of the business. I say that does not prove anything.

Mr. ELLENDER. Well, Mr. President—

Mr. WHERRY. And then, Mr. President, I asked the Senator—

Mr. LUCAS. Mr. President, a point of order.

Mr. WHERRY. I asked the Senator what the situation was in connection with food production. He said there has been an increase of one-third. I should like to suggest to the Senator that he consider the letter which Chester Bowles wrote to the distinguished senior Senator from Oklahoma [Mr. THOMAS], which may be found on page 5703 of the CONGRESSIONAL RECORD, June 7, 1945. Here is what he said:

Recognizing the critical shortage of meat and the comparative need of avoiding any impediment to maximum production and even distribution—

And so forth and so on.

So Mr. Bowles admits there is a scarcity of food.

Let me quote from the press for this morning:

Cafe men plan meatless menus.

They are going to have a meeting next Monday, and they plan to attempt to stretch the reduced ration points to cover the 2,000,000 meals a day served in Washington.

And here is a United Press report from New York City:

THREE THOUSAND (WITH POINTS) BESIEGE BROOKLYN MARKET (WITH MEAT!)

NEW YORK, June 7.—Five abreast, the crowd stretched for several blocks. Police estimated it at 3,000 persons.

George Lazarus, market manager, estimated that 1,000 persons would be disappointed.

Yet, the Senator from Louisiana stands on the floor of the Senate and says we do not need to try to improve the food-supply situation, because, so the Senator has said, we have had one-third increase in the production of food.

Mr. ELLENDER. Mr. President, I have not said anything of the sort, and the

printed RECORD will disprove the Senator's statement. The great trouble with the Senator is that he is obsessed with the subject of meat production. I admit a lack of equitable distribution of our present supplies, but I deny that we have not an increased production.

Mr. WHERRY. Well, Mr. President—

Mr. ELLENDER. Mr. President, I will gladly yield to any Senator who wishes to ask a question relative to the subject of comparative profits in business, which I am now discussing. I said at the beginning of my remarks that I am trying to show that business as a whole is not as badly off as some of my distinguished colleagues have been saying it is. Most are advocating amendments to the Price Control Act so as to permit greater profits to an already thriving economy.

Mr. WHERRY. Does the Senator refer to the production of meat and sugar and other foods? Just consider the Senator's statement—

Mr. LUCAS. Mr. President, a point of order.

Mr. WHERRY. Mr. President, will the Senator yield to me? I appreciate the fact that the distinguished junior Senator from Louisiana—

Mr. ELLENDER. Mr. President, I shall answer the Senator's question in a few minutes, if he will just bear with me. I have stated on several occasions that I will gladly engage the Senator in debate if and when I discuss food production.

Mr. HATCH. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield for a question.

Mr. HATCH. I wish to join in the point of order made by the Senator from Illinois. I desire to insist that the debate be conducted according to the rules of the Senate. The Senators know that under the rules of the Senate any Senator who desires to have another Senator yield to him should first address the Chair, and the Senator having the floor should yield, if he so desires.

The PRESIDING OFFICER. The Chair requests that all Senators observe the rule.

Mr. WHERRY. Mr. President, will the Senator yield to me for a statement?

Mr. ELLENDER. I yield for a question relative to what I am discussing, namely, the profits of business as a whole.

Mr. WHERRY. I will conform to the rules of the Senate. I asked the Senator whether he would yield. I do not wish to infringe upon the rules. I realize the seriousness with which the Senator from Louisiana is presenting his argument. We have talked before about the Office of Price Administration and legislation relating to it. I wish to have the Senator know that I ask these questions in all sincerity. When I first asked the Senator to yield, he declined, and I sat down. Later I again asked him to yield, and then he yielded. I have asked three or four questions. I do not wish to impose upon the Senator's time, and I do not wish to attempt to take advantage of any rule of the Senate. I make that statement for the RECORD.

I appreciate the ability and intelligence and good faith of the Senator from Louisiana, and the faith he has in the Office of Price Administration and the legislation relating to it which has been enacted. He sincerely believes in it. But as he proceeded with his statement, I asked him to yield, because it is very difficult to remember questions which one would have liked to ask in connection with points which were made by a Senator during the course of his remarks. I would appreciate it very much if the Senator would, as he goes along, give some of us an opportunity to ask questions, because after all I am very much interested in the production of food, and I think the Senator realizes that as much as any other Senator on this floor does.

Mr. ELLENDER. It was the Senator from Nebraska who raised the question of food production. I have discussed the issue so often on the floor of the Senate that I do not think it apropos to burden the RECORD with another detailed discussion on the subject.

When I was interrupted by the distinguished Senator from Nebraska I was attempting to answer a statement made yesterday by the distinguished Senator from Ohio [Mr. TAFT] in respect to profits in the manufacture of furniture and other finished lumber products. I stated that the profits in 1943, in contrast with those of the period from 1936 to 1939, were 291 percent. Yesterday I got in touch with the OPA in order to ascertain if it had any recent figures in respect to the matter insofar as 1944 was concerned. As I have already indicated, the figures given me as to furniture and finished lumber for 1943 were taken from Moody's Industries. The OPA was not able to account for all manufacturers for 1944, but a fair sample of 12 operators from all over the country was considered. The information is as follows:

During the period of 1936 and 1937 the average of dollar profits on sales for these 12 operators was \$2,900,000, and in 1944 the dollar profits had risen to \$9,400,000. During the period 1939 to 1941 the percentage of profit on sales was 8.9 percent. In 1944 it was 10.2 percent.

Yet, according to the statement of the distinguished Senator from Ohio, the manufacturers want more than a 10 percent profit on sales.

The earnings on the basis of net worth of the concerns to which I have referred from 1939 to 1941 were 18.4 percent. In 1944 they were 27.9 percent.

Yet, Mr. President, there are Members of the Senate who are asking that prices be revised so that greater profits may be afforded to those engaged in these industries.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. In order to aid in proving the Senator's point, I wish to read into the RECORD a statement of facts taken from Dun & Bradstreet.

In 1944 Dun & Bradstreet recorded only 1,222 business failures. The number in

1939 was 14,700, and the number in the black year of 1929 was 22,900. If there is any evidence of hardship being experienced in connection with the absence of profits in industry at the present time, the record of Dun & Bradstreet does not show it.

Mr. ELLENDER. I may say to the Senator from Illinois that within a few moments I shall attempt to address myself to the subject to which he has referred.

Mr. LUCAS. I regret having intruded upon the Senator's time, but I did so in order to present for the RECORD the facts and figures which I thought were relevant to the subject being discussed.

Mr. ELLENDER. I thank the Senator, and I wish to say that I am very appreciative of his help.

Mr. LUCAS. I thought the information which I gave was material and competent evidence to be submitted at this point in the Senator's argument. The plain and unvarnished truth is that in all its history business was never in better condition than it is at this very moment. The lamentations of the Senator from Ohio [Mr. TAFT] in regard to the industries which he asserts are about to go into bankruptcy does not square with the facts if the statistics which I have been quoting are correct.

Mr. ELLENDER. What the Senator from Illinois has stated is what I have been trying to develop before the Senate.

Mr. President, I now propose to discuss some of the profits which are being made in the steel industry.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WHERRY. Will the distinguished Senator from Louisiana answer me this question: If there has been the tremendous increase in profits all along the line which the Senator says there has been, why is there such a scarcity in meat products?

Mr. ELLENDER. The reason is very simple, if the Senator will bear this in mind: All the enormous profits about which I have been speaking have made the country tremendously prosperous. Our people have a huge buying power. Years ago when our meat production was approximately 150 pounds a person, a poor devil did not have the money with which to buy his 150 pounds. Today he has it. He is now financially able and eager to buy his share. To some extent that should answer the Senator's inquiry as to why some of us are not obtaining as much meat as we would like. The meat which is now available is being distributed according to the point system, as the Senator knows, and almost every one is entitled and able to buy his share of meat, as I have just indicated. Let us also not forget that on the fighting fronts today there are more than 10,000,000 soldiers and sailors in our Army and Navy. They are all big meat eaters, and we are giving to them all the meat that they require. We are also called upon to feed thousands of prisoners of war and as our victorious armies march

on to victory in Europe we must care for thousands of conquered peoples. At home we are probably being required to stint ourselves, but we should not gripe about that. As I stated a while ago we are suffering from a maldistribution of our meat supplies due largely to black-marketing, and I do believe that every effort is being made to alleviate the situation. With the help of our law abiding citizens we should stamp out black marketing to a very large extent.

Mr. WHERRY. Will the Senator yield for another question?

Mr. ELLENDER. I yield.

Mr. WHERRY. Inasmuch as the Senator has not answered my first question, I should like to ask another question.

Today we have in the United States a surplus of 10,000,000 head of cattle.

Mr. ELLENDER. The surplus is greater than that.

Mr. WHERRY. Last year we did not feed as many cattle as we fed in—

Mr. ELLENDER. When the Senator says 10,000,000 cattle, what period of time is he taking into consideration?

Mr. WHERRY. I am speaking of the present time. Let us take into consideration also the 10-year average prior to the war.

Mr. ELLENDER. I think the Senator is mistaken.

Mr. WHERRY. What does the Senator say the surplus of cattle is?

Mr. ELLENDER. During prewar years the average for the years 1935-39 was, as I recall 66,700,000 head.

Mr. WHERRY. The number of cattle on the range was approximately 67,000,000.

Mr. ELLENDER. Last year the number was almost 82,000,000, and on January 1 of this year it was still around 82,000,000.

Mr. WHERRY. Very well; let us take the Senator's figures.

Mr. ELLENDER. Yes.

Mr. WHERRY. That number of cattle are on the hoof. Why do we not have that meat in the ice box?

Mr. ELLENDER. What?

Mr. WHERRY. I ask the Senator to answer the question. If his argument is correct, it should indicate that, with all the money which we have, and with all the increased profits which the Senator says industries are making, it should be profitable to feed cattle, and therefore the meat counters should be full of meat and everybody should be buying it.

Mr. ELLENDER. If the Senator from Nebraska will be patient with me I will again try to explain the situation to him. I believe that today, as in the past, the OPA is doing all that it can do equitably to distribute the meat which is available. The Senator well knows that in the latter part of 1943 and in the early part of 1944 there was such an enormous quantity of cattle and hogs on hand, particularly hogs, that all our packing plants were working to capacity. The Senator knows that to be true. Of course, it was very profitable, as I shall point out in a few minutes, to be engaged in the packing industry. I wish the Senator would be

patient with me and wait until I can get to this particular phase of my remarks. When I reach that subject I will gladly answer any question which the Senator may wish to ask. I may not be able to please him. It seems that he did not agree with me a little while ago when I told him that with 6,000,000 fewer farmers we are producing a third more food. He disagrees with that.

Mr. LUCAS. Mr. President, will the Senator yield for one observation?

Mr. ELLENDER. I yield.

Mr. LUCAS. The debate has been proceeding on the theory that OPA is responsible for meat production in this country. The OPA has not a single thing to do with the production of meat. That is a War Food Administration duty. It was Judge Vinson who gave the cattle producers an increase in the price of cattle; it was Judge Jones, of the War Food Administrator, who fixed the support price for hogs. As I understand, the War Food Administration is the agency of the Government which is responsible for the production of meats in this country.

Here is a statement which I think may partially answer the Senator from Nebraska, although I know that, probably, no statement could satisfy him entirely. I now refer to the fact shown by the agricultural statistics which I obtained from the department. Everybody knows that 30 percent of the meat supply of the United States is going to our armed forces. That is No. 1. Obviously, if 30 percent is going to the armed forces and in addition some is going under lend-lease, that brings the civilian supply of meat down to some extent.

As the Senator from Louisiana a moment ago said, Senators forget that the people of the United States are eating more meat per person—and no one disputes that—than they ever consumed in the history of this Nation. As a whole, the American people are better fed at this moment than at any time in our entire history. Why is that? It is said we are not producing sufficient. I do not know whether the figures I have are correct. Some persons use the agricultural statistics when the figures conform to their ideas, at other times they ignore them. I shall state, however, what the statistics show.

Meat production in 1945, according to the statistics of the Agriculture Department, will be 38 percent above the production for the period 1935 to 1939. Beef production is at an all-time peak, 12 percent above last year's production, which was the previous peak year. In 1945 it will run 38 percent above the average production for 1935-39. We shall in 1945 produce 2,400,000,000 more pounds of beef than we produced before the war.

Pork production in 1945 was 2,190,000,000 above the production for the 1935-39 period. Production was up 42 percent. It will, however, be down a third from last year's peak production. Why is that? It is because the hog population, in the great run of last year rose 91 percent from prewar levels. Think of

that. Think of producing in this country last year 91 percent more hogs than we ever produced during the prewar years. Yet no producer suffered as a result of the hog prices. When we had the greatest hog crop in this country, even though prices went slightly below parity, that price remained only a short period of time. Today the hog farmer is getting more than parity, just as the cattle farmer is getting more than parity and the sheep farmer is getting more than parity for the animals they produce.

It is not an agricultural problem at all. Neither one of the amendments before the Senate has anything to do with strictly an agricultural problem. The amendments affect processors and other industries throughout the country. To say that the pending amendment is a farm amendment is not in accordance with the facts.

The hog population, as I said, rose 91 percent. Feed production at that time rose only 36 percent. So the hog population had to come down. OPA had nothing to do with it. And yet we hear this constant condemnation of OPA throughout the press and on the floor of the Senate on the question of hog production.

I have not agreed with OPA in all the things it has done, but I know it has had the toughest job of any agency of the Government, and it has been an agency criticized by Senators in the most cases for home consumption. This agency has been constantly condemned and criticized, although it has held the line in a period when there was greater danger of inflation than at any other time in all our history as a nation.

Of course they have done wrong many times. Human nature is subject to frailty and error; no one is perfect in this world. I remember a great Senator who knew more about price control perhaps than any other Member of this body, Senator Prentiss Brown, who was appointed Administrator of OPA. He did not remain there very long, Mr. President. That is a pretty rough job, and the OPA has taken plenty of punishment at the hands of Senators. I see on the floor the distinguished Senator from Oklahoma [Mr. MOORE], who has been a constant condemnor of OPA. It would be interesting to see him, great businessman that he is, operating and managing OPA. Senators who constantly condemn and criticize should, once in a while, say something good about an agency which has, in my humble opinion, done the constructive job the OPA has done. Political sniping should cease.

The market price for hogs last year fell to \$12.50 per hundredweight, which was slightly under parity, but \$12.50 is a pretty good price for hogs at any time. I come from the Corn Belt section, and I understand what it means to get \$12.50 for hogs when I look back at the prices for which hogs were selling a few years before. Yet after that heavier run of hogs is over, we find them today hitting

the ceiling price. The OPA ceiling price at that time was \$14.75, and I think the price is around that figure at the present time.

Mr. THOMAS of Oklahoma. Mr. President, may I ask the Senator from Illinois a question?

Mr. ELLENDER. Yes.

Mr. LUCAS. I have not finished. I desire to make my statement and I shall be through.

Mr. ELLENDER. Very well. I yield to the Senator from Illinois for that purpose. I wish to say to my good friend from Illinois that he is making my speech as to meat and I do not propose to again cover the subject.

Mr. LUCAS. The OPA set a ceiling of \$1.14 on corn. There were many who did not want that done. They wanted the price of corn to be unrestricted; they wanted corn and every other commodity to be sold according to the law of supply and demand, just as the cattle growers wanted it done from the beginning in the case of cattle.

I listened last year to a lawyer from Texas representing the cattle interests before our committee. He asked the agricultural committee to let the law of supply and demand operate so far as cattle were concerned. Cattle! That is what we have heard all the time. Many persons have their perspectives confined to the cattle pen in connection with a great problem that affects 137,000,000 people. I say if the Thomas amendment and the Taft amendment are adopted by the Senate, we can kiss price control good-by, and, with the billions of dollars that are now in the pockets and bank accounts of civilians, who are ready to buy anything and everything, we will see an era of inflation which will completely wreck price control.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. Mr. President, as I have just indicated the Senator from Illinois [Mr. LUCAS] is delivering my speech, and I do not mind yielding, but hereafter I shall yield only for a question.

Mr. THOMAS of Oklahoma. Will the Senator yield that I may ask the Senator from Illinois a question?

Mr. ELLENDER. I yield for that purpose.

Mr. THOMAS of Oklahoma. It has been the custom on this floor for over a century that when one Senator refers to another Senator by name, the Senator referred to is accorded the courtesy, if he desires, of replying. The Senator mentioned me by name, and then refused to yield.

Mr. President, I now desire to ask the Senator from Illinois a question. Does the Senator approve of the price ceilings, the rules and regulations in force at the orders of OPA, at the time the Senate Committee on Agriculture and Forestry, of which he is a member, started the investigation some 3 months ago? I yield to him to reply.

Mr. LUCAS. Mr. President, I did not directly refer to or ask the Senator from

Oklahoma any question, but he has asked me one. If he wants an answer I shall be glad to give him one.

Mr. ELLENDER. I yield for that purpose.

Mr. LUCAS. I took part in those hearings. I was a member of the Committee on Agriculture and Forestry, but not of the subcommittee, and at the very kind request of the distinguished and able Senator from Oklahoma, for whom I have a very high regard, I attended a great number of the hearings.

I did not agree with the OPA, as I said a while ago, as to their method of paying subsidies to the packers. I do not agree with them now as to some things, and I shall continue to disagree with them, but I am not willing to vote to wreck the OPA program in order to satisfy a few individuals in this country or to satisfy my own desires dealing with a few problems.

I went along in those hearings and did everything I could in order to get the slaughterers more money through the subsidy route, and I think they got a better proposition as a result of what we did, but I am not going to vote for an amendment such as that the Senator from Oklahoma has offered, which, in my opinion, will definitely break down price control. There are not enough men in the Army to get the facts for the OPA upon which they can absolutely ascertain and predicate the costs in order to enable the industry to have a profit. Under the amendment it is necessary to guarantee something to every industry, whether it is efficient or inefficient, and if I were Administrator of the OPA and was handed the Thomas and Taft amendments, I would close up shop, I would not give a single subsidy to any individual or industry until I knew the facts from their records, not what is before the OPA now, but the records brought up to date. It is provided it shall be unlawful to violate the proposal submitted, and someone might go to jail if he violated the amendments. OPA officials cannot afford to take that chance. The Administration will break down. That seems to be what a lot of folks desire.

I do not know whether I have answered the Senator's question or not.

Mr. THOMAS of Oklahoma. Will the Senator from Louisiana yield to me further?

Mr. ELLENDER. I yield.

Mr. THOMAS of Oklahoma. The investigation was ordered by vote of the Senate. Either the OPA was wrong when the investigation was begun or it is wrong now. Since the hearing started the OPA has changed its rules and regulations at least three times. My question to the Senator was: Was OPA right when the investigation was started? If the answer should be "yes," then OPA must be wrong now. If OPA was in error when the investigation was started, then no Senator can be justly criticized for having pointed out the error, and for making an effort to secure a correction.

Mr. ELLENDER. Mr. President, in further answer to the question pro-

pounded by the distinguished Senator from Oklahoma to the Senator from Illinois, I would say that the OPA has been constantly at work in an effort to help the meat processors. It is not only in the last 4 or 5 months, but it has a staff that is constantly at work trying to adjust prices for the slaughterers and processors. There is no doubt, as the distinguished Senator from Oklahoma [Mr. THOMAS] has just indicated, that some corrections by the OPA have been made before, during, and after the hearings held before the Committee on Agriculture and Forestry of which he is chairman.

I now yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I appreciate the Senator yielding to me now, but I shall decline to speak further in his time because he has stated to me on the floor that he would answer my question relative to the fact that there are not as many cattle being produced as there were.

The statement made by the distinguished Senator from Illinois of course is just a statement in defense of OPA which he had a perfect right to make. As I understood the Senator from Louisiana he was attempting to prove that because of the increase in price in the industries all the way along the line we have had better times, that people were eating meat. I want the Senator to show me, if he can—and I appreciate his interest—that there has been an increase in the production of food, that there has been an increase in the feeding of cattle, that there has been an increase in the feeding of hogs and of sheep, that we have plenty of meat, and that the ones who buy it can get it without difficulty, that there is no black market, that everything is operating on the profit basis. The increased profits the Senator has suggested are tremendous according to his statement, during the period of the war, when we have increased the debt to \$300,000,000,000. It is my contention that these things have not been happening.

Mr. ELLENDER. The Senator knows well that in my remarks I did not intend a discussion about meat or food production, but I was merely making an attempt in my own way to answer the distinguished Senator from Ohio. It was the Senator from Nebraska who raised the question of meat and food production, as I previously indicated. Judging from what the Senator from Ohio said, I repeat, business was going to the dogs, and he was advocating amendments to the Price Control Act which would hike prices, which, in turn, would result in more production. That was not the situation in World War I, in contrast to World War II. I am speaking of our industrial and agricultural production generally. I am looking into the small end of the telescope and am attempting to visualize the picture as a whole. I am not attempting to look through the big end of the telescope and center my efforts on our present meat situation, as the distinguished Sen-

ator from Nebraska [Mr. WHERRY] seems to want to do. Considering our food production as a whole, we have a sufficient amount on hand and in production to keep us in good health. No one is suffering from a lack of food in this country. I have not seen any people who could not walk around or who had to get a doctor to inject strength-giving liquids into them. They have been able to take it. Those in good health are all nourished properly and show no signs of starvation. Has the Senator come in contact with anyone suffering or on the verge of starvation?

Mr. WHERRY. If the Senator is asking me that question, I simply reply that that is always the contention of those who believe in the OPA legislation. I contend, and I want the Senator to know it—

Mr. ELLENDER. Mr. President—

Mr. WHERRY. The Senator has asked me a question; let me answer it.

Mr. ELLENDER. Proceed.

Mr. WHERRY. I contend that there is little meat that is edible on the meat counters of this country; that there is a pork shortage beyond description, and that there is this unprecedented demand. It is not a question of whether we have the cattle or the corn, but it is a question whether or not the price levels which have been established and put into operation by OPA have permitted the proper functioning on a profit basis so that we could obtain the production we need.

Mr. ELLENDER. The Senator again centers on meat when I asked him a simple question as to whether he has seen anyone suffering or on the verge of starvation. Be that as it may, I desire to ask the Senator another question.

Mr. WHERRY. Have I answered the question the Senator just asked me?

Mr. ELLENDER. I hardly think so, but let me ask the Senator this question.

Mr. WHERRY. Yes.

Mr. ELLENDER. The Senator has no doubt studied the Thomas amendment.

Mr. WHERRY. Yes.

Mr. ELLENDER. And the Taft amendment.

Mr. WHERRY. Yes.

Mr. ELLENDER. Would their adoption bring about more hog production, cattle production, and, in fact, more meat production?

Mr. WHERRY. The Senator has asked a question, and I should like to have the time necessary to reply. Such proposed amendments provide for a reasonable profit margin. Expected profit is the incentive which will result in production and production is unquestionably the one thing now needed to augment price controls.

I would agree with the Senator, because I know he has made a study of the OPA legislation, he is intellectual, and knows what he is talking about—I would agree that there was on the statute books, up until the decision in the Armour case, ample legislation, if properly administered, to enable OPA to establish price levels that would have made it profitable to farmers to produce hogs and cattle.

Now that the Armour case has been decided by the Supreme Court, we have no law making such provision as is attempted to be furnished by the clarifying amendment of the Senator from Oklahoma. If that amendment shall be agreed to, then we will conform to what was incorporated in the letter of the Administrator of the Price Administration sent to the Senator from Oklahoma [Mr. THOMAS] yesterday, and which appears in the CONGRESSIONAL RECORD, in which he stated that in the future they would do the very thing, in the administration of the act, that the Senator from Oklahoma [Mr. THOMAS] included in his amendment.

Mr. ELLENDER. They have been doing it all along. That is nothing new.

Mr. WHERRY. Then I ask the Senator why it is that cattle feeding is not continuing on the basis on which it should continue in this economy of scarcity?

Mr. ELLENDER. The Senator knows very well that in recent weeks they have added a subsidy to the cattle feeder—I think of 50 cents—is it not? That may not be enough, and if it can be shown it is not enough, of course, all we need do is to raise it.

The point is this: Congress has decided to use a system of subsidies in order to control prices and maintain our economy. What some Senators now desire to do is to get away from the subsidy method and let prices increase. If ever the time comes when such a thing occurs, then, so far as I am concerned, I shall not vote for another nickel of subsidies. If it is necessary to increase prices, let that be done, but I shall not vote for any subsidies and at the same time permit prices of subsidized commodities to go up. That is what will occur if the Thomas amendment is adopted. The Senator has not answered my question as to whether the Thomas amendment or the Taft amendment will increase farm production. The amendments favor processors and manufacturers and will help to increase their profits.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. ELLENDER. In a moment. Before the Senator gets through I want him to point out one sentence in either the Thomas amendment or the Taft amendment that will, if either amendment is adopted, in any wise improve the station of the farmers of this Nation. My contention is that the adoption of either amendment will result in increasing their costs, it will increase their food bills, their clothing bills, their labor cost, and, in fact, the cost of everything they use and need for their farm operations. The Senator well knows that if such a thing happens the farmers will be the next group to come to OPA and say—"Raise our prices." If that occurs processors will come back to OPA and labor will come to OPA and ask for increases, and we will find ourselves in a spiral of inflation, and God only knows what will then happen. Our present dollar may in the course of not many months be worth

only as much as a Chinaman's yen is now worth. I dread the day when our printing presses may be on the go. I would much prefer that some of us suffer from the lack of an ample diet than to open the doors that will lead to uncontrolled inflation. It is then that our people will really suffer.

Mr. WHERRY. Will the Senator from Louisiana yield to me now?

Mr. ELLENDER. Yes.

Mr. WHERRY. I wish further to answer the Senator's question as to whether the adoption of the Thomas amendment or the Taft amendment would result in doing what I should like to have done relative to increased production of livestock—and when I speak of increased production of livestock I mean also meat on the counter. If the Senator will permit me I should like completely to answer the question, because he has asked it of me. I said a moment ago that I felt that prior to the decision in the Armour case we did have a law on the subject, but, by reason of the fact that the Price Administrator did not act in accordance with that law, we were not getting the numbers of cattle in the feed lots we were entitled to have under the OPA legislation which the Senator from Louisiana himself helped to pass. The amendment proposed by the Senator from Oklahoma clarifies the very thing that was set out in the letter written by Administrator Chester Bowles yesterday, which the distinguished Senator from Oklahoma [Mr. THOMAS] placed in the RECORD, which was that if any price is set, it must be set so it is profitable to all segments of the industry, and OPA must figure that profit to particular groups of the industry rather than to the industry as a whole. Mr. Bowles said in the letter that he would do that. If he will do so then the amendment becomes only a clarifying amendment, and what I understand the Senator from Oklahoma [Mr. THOMAS] attempts to do by the amendment is to clarify the Stabilization Act with reference to cattle and calves, hogs, lambs, and sheep; that each be separately considered on a profitable basis.

Mr. ELLENDER. Mr. President, that is not what the Thomas amendment does as I have previously indicated. It helps processors and manufacturers of agricultural commodities.

Mr. WHERRY. Will the Senator yield for a further answer?

Mr. ELLENDER. I yield.

Mr. WHERRY. The Senator said he believes in subsidies. I know that has been the Senator's position since I have been in the Senate. He conscientiously believes in subsidies. He has a right so to believe. But if we are to pay subsidies I should like to ask how the increase, resulting from the subsidy, would affect the cattle feeder? I understood from the chairman of the Committee on Banking and Currency, the Senator from New York [Mr. WAGNER], who is now in the Senate Chamber, before I went to Nebraska a few days ago, an attempt would be made to take care of the situation by

means of a subsidy. When I returned I found out that the only subsidy that is paid to cattle feeders is 50 cents a hundred. I wish to point out to the distinguished chairman of the Committee on Banking and Currency that on a 1,200-pound steer that is only \$6. Do Senators think that a subsidy of 50 cents a hundred is an inducement to a man who is so hard pressed now because of the situation with respect to the feeding of cattle—that a subsidy of 50 cents a hundred, which would mean \$6 on a steer weighing 1,200 pounds, is a sufficient inducement for him to feed cattle in the feed lot? The total subsidy paid on a steer weighing 1,200 pounds is \$6, as I stated. Yet the total subsidy paid on that 1,200-pound steer—and I bring this to the attention of the distinguished Senator from Louisiana—is \$51.60. Fifty-one dollars and sixty cents is paid to the processors and all those who handle the product afterward. Of that, only 50 cents a hundred goes to the one who produces the calf and fully feeds the steer and gets his meat to the meat counter.

I ask in all fairness whether Senators think such a subsidy will result in increase in feeding of cattle on the feed lots? The feeding of cattle and hogs on the feed lots depends upon whether it can be done profitably or not. The only answer to that question is "No." That is not a sufficient subsidy to achieve such a purpose. If a subsidy is to be given, it should be a sufficient subsidy to attract the cattle to the feed lots.

Mr. ELLENDER. Let us increase the subsidy if it is necessary to do so. The point is that we cannot at this moment afford to abandon our subsidy program and let higher prices control. That is the point I have emphasized. I say that in all earnestness, and I shall help all I know how to increase the subsidy if that is necessary. If 50 cents is not sufficient, let us give more. But let us not permit the price of beef to go up 3 or 4 cents in order to accomplish the purpose we seek to rectify.

Mr. WHERRY. Will the Senator yield further?

Mr. ELLENDER. I do not mind yielding again, but, as my colleagues will soon find out, it seems to me all I have to say has been anticipated, first by the distinguished Senator from Nebraska—

Mr. WHERRY. I am sorry.

Mr. ELLENDER. And then by the distinguished Senator from Illinois. I will find myself repeating probably what other Senators have said. I do not mind yielding. I am glad to stir up a little discussion. My hope is that the discussion will center on the two amendments. Let us determine the effect of the two amendments on production.

Mr. WHERRY. Will the Senator yield further?

Mr. ELLENDER. Yes.

Mr. WHERRY. My answer is that these two amendments will do the very thing necessary to be done, because they deal with the price levels which are established. The levels have to be lawful levels. If the Senate adopts the Thomas amendment—

Mr. ELLENDER. But the amendment does not do that. That is simply wishful thinking on the part of the Senator, and if he reads the amendment he will find out that it means that reasonable profits must be allowed to every processor—not to take a sample of a dozen or so processors—but every processor must be allowed a reasonable profit on every major product he manufactures. As I interpret the Thomas amendment it shall be unlawful for OPA to maintain any prices unless the OPA examines the books of a processor and finds out what his costs are, and after the costs are determined, give him a reasonable profit on each major product he produces. That is the purpose of the Thomas amendment.

Mr. WHERRY. The Senator from Louisiana broke in before I really had a chance to answer him. The Thomas amendment applies particularly to livestock and agricultural products. The Taft amendment deals with all industry. I am quite satisfied that the clarifying amendments offered by the distinguished Senators from Oklahoma and Ohio will give us who are cattle feeders an opportunity to show the over-all feeding charges, what it takes to buy the cattle, what it takes to feed them, and the price we get as set by the Office of Price Administration.

I wish the distinguished Senator from Illinois were present in the Senate Chamber at the moment. The testimony before the subcommittee of which the Senator is a member showed that the top price the packer could pay was \$16.51 for AA feeder cattle. The price we have to pay for those cattle today in the open market is \$13.50. When you get the cattle laid down and have paid your freight charges and commission fees the price is \$14.25. As the result the feeders who have the corn are not buying those cattle, they are not placing them in the feed lots, because there is not a margin of profit. A subsidy of 50 cents a hundred will not provide a sufficient margin of profit.

I wish to suggest to the distinguished Senator from Louisiana that if the Taft amendment or the Thomas amendment is not adopted, then it is the responsibility of the Office of Price Administration, as an administrative agency, to set a price level at which the cattle can be fed and sold at a profit. If that is not done, there will be a continued shortage of meat.

It seems to me useless to argue the question as to whether or not there is a meat shortage. I know that the Senator agrees with me that there is a shortage. It will become more acute than ever unless we get more cattle and hogs into the feed lots. I say that in all sincerity. I wish to help the administration produce food.

The situation is just as critical with respect to other products. It is critical not only with respect to cattle but also with respect to hogs and sugar. We can get increased production if the incentive exists, if the profit motive is present. If we do not wish to follow that policy, the

subsidy must be of sufficient amount to attract cattle to the feed lots.

Cattle are not going to the feed lots today. There are fewer cattle in the feed lots today than there were a month ago. Next month there will be fewer cattle in the feed lots than there are this month. The argument that more cattle are going into the feed lots, and that there is no shortage, is absolutely without foundation.

We must clarify the situation. That is the duty of Congress. The Administrator has not done it over a period of nearly 3 years, although I believe he had the authority. These amendments would clarify the legislation, and I believe that both of them should be adopted. The Congress should say what shall be done with the price levels; and unless the administration complies with the laws which the Congress enacts, its acts are unlawful.

I thank the Senator for yielding to me. I believe that the issue is so great that the debate should be unlimited. Whatever we do should be done in a constructive way, without heat or passion. We can believe in subsidies, or in the profit motive. We can believe in the OPA legislation, or we can disagree; but the fact remains that the supply of meat is becoming shorter. It is becoming shorter in New York City and many of our industrial cities. It is becoming shorter in my State, and meat of all kinds is becoming critically short.

Instead of the Administration clarifying the present condition it is making it worse. I think the time has arrived for Congress to step in and say what the price level should be. It ought to be possible to show what is necessary to allow a profit. We should set a price level which would attract cattle to the feed lots. According to the figures of the OPA, we have 10,000,000 more cattle than we have had, on the average, over a 10-year period, 1921-30. We have the corn, and the labor to feed it to the cattle and hogs. All we need is a sufficient profit, under the profit-motive theory, or else a subsidy to attract those cattle into the feed lots. Unless that is done, we shall have a continued shortage of meat.

Let me point out to the Senator from Louisiana that everything he has said about holding prices down depends upon having legal prices, and not black-market prices. He knows as well as I do that the black market is becoming tremendous in this country. I believe that maximum production is the only way to cure the difficulty.

I thank the Senator.

Mr. ELLENDER. Mr. President, as I stated awhile ago, some of my distinguished colleagues have virtually made my speech, and I hesitate very much to repeat some of the arguments made by them. However, to revert to the question which I was discussing when I was interrupted, I had concluded showing the differences in profits in the furniture and finished lumber business. I believe the distinguished Senator from Ohio said something about profits in the steel business yesterday. He showed that some

concerns were losing money, and that OPA in showing profits took the figures from the books of large concerns and did not consider the activities of smaller companies.

I inquired of OPA with respect to that subject. Fortunately, the OPA has just concluded a comprehensive study of 47 steel companies scattered throughout the country. None of the large companies are included in the list of 47 steel companies covered in the analysis I am about to present. None of the so-called Little Steel companies, such as Republic, Youngstown, and so forth, are included.

I am told that the 10 larger companies, including the so-called Little Steel companies, produce 80 percent of the Nation's steel production. The 47 smaller companies, whose books and accounts were carefully investigated and analyzed by OPA, as I just indicated, produce 16 percent of the steel output of the Nation. Let us see how they have fared.

In the period from 1936 to 1939 these 47 companies earned an average net profit on sales of 4.9 percent. In 1944 the same 47 companies earned 13.7 percent on sales, contrasted with 4.9 percent in the period 1936 to 1939.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MORSE in the chair). Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I yield for a question.

Mr. TAFT. In the first place, the Senator's argument is that because some companies made profits in 1944, therefore the price today is correct. The point I have been trying to make is that the steel companies have been engaged in war business. Of course, they have made profits. That is not the question. They are going back into the production of civilian goods. What are the prices of those civilian products?

The Senator has just said that in the period from 1936 to 1939 these 47 companies earned 4.9 percent on sales.

Mr. ELLENDER. That is correct.

Mr. TAFT. All my amendment does is to provide that they shall earn today the same profits which they earned in 1941. So far as I am concerned, I do not care whether the basis is 1941 or 1939. I will accept either year.

Mr. ELLENDER. I shall contrast for the Senator the profits which would be made by those companies if the 1941 formula were in force with what they are making today, and show how the profits would be considerably increased.

Mr. TAFT. Whatever year we take, the profits of some companies will be increased, and the profits of others will be decreased. We must have some standard. I would just as soon take the year 1929. I am willing to accept as a basis the average for 1938, 1939, and 1940. The OPA shows 1941 as the basis for cost in its reconversion policy. Then it tried to combine with its 1941 costs the margin for the years 1936 to 1939, which were bad years; 1937 was a bad year, and the average is not a fair figure. I am willing

to accept 1938 and 1939, or 1939 and 1940; but the figure for 1941, which I have used, is a reasonable figure.

All these figures about over-all profits do not prove anything. I admit that the large companies have made money. My point is that many small companies, which make a particular product, are forced to sell it at a loss. The OPA says, in so many words, "We are requiring these goods to be sold at a loss because profits are made on something else." The producer who makes only one such product sells entirely at a loss; and when we come to reprice for the reconversion period, no one will make that product.

Mr. ELLENDER. Let me ask the Senator a question. As he pointed out yesterday, the large steel companies are making enormous profits. They produce 80 percent of the steel which is now manufactured in the United States. The 47 concerns whose account books have been analyzed show considerable profits. If we add the steel production of the 10 large steel companies to the production of the 47 smaller producers, we find that they are producing 96 percent of the steel manufactured in this country. With the enormous profits being made by those who are producing 96 percent of the steel, does the Senator think it would be just and fair to allow a profit to the producers of 4 percent of the steel, and at the same time raise the ante, so to speak, for the producers of the 96 percent? In other words, is it fair and just to raise the already swollen profits of those who produce 96 percent of the steel so as to take care of the few who produce only 4 percent of the steel made in this country?

Mr. TAFT. The answer is "Yes"; I do.

Mr. ELLENDER. Well, I do not.

Mr. TAFT. If the Senator proposes to limit everyone's profits, then there will be profit control, not price control; and with profit control we could not maintain a free economy in the United States.

Mr. ELLENDER. In other words, Mr. President, the Senator from Ohio is now arguing for the Thomas amendment, because, as I pointed out yesterday, it would permit the OPA to fix the selling prices on the basis of the cost of the high-cost producer in any industry; and no matter what the profits of low-cost producers might be in that industry, the selling price of the low-cost producers would be increased to the selling price of the high-cost producers. That would be the result. Should the Senate permit such a method of price revision, we might as well abandon price controls.

Mr. TAFT. Mr. President, the Thomas amendment would permit that, but it would not require it, and there is no evidence whatever that the OPA would choose that method of conducting business, because in general the OPA prefers to set a flat price which will give the more efficient producer a larger return than the less efficient producer.

Mr. ELLENDER. The Senator from Ohio knows well that if the Thomas amendment is adopted it will mean four or five or six prices in the same community for the same article, or else the low-cost producers must be allowed to charge

the selling price of the high-cost producers. The Senator cannot argue himself out of that situation.

Mr. TAFT. Mr. President, I am generally in favor of giving to the low-cost producers the price of the high-cost producers, because that is the whole basis on which our economy operates. The reward for efficiency in operation is the factor which in the end reduces prices. It is the thing which has raised our standard of living. It is the thing on which our whole economy is based.

Mr. ELLENDER. Then I repeat what I said yesterday: If the Senator's view is correct and if the Thomas amendment is adopted, we might as well kiss price control good-bye, because it will become ineffective and inoperative.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. I disagree with that statement, but that is not what I wish to say at this point. I hold in my hand a tabulation of figures for the iron and steel industry. This tabulation was obtained from the National City Bank, which I think is about the most reliable source of such information. The whole industry made, in 1943, 5.6 percent net, on its net worth. In 1944 it made 5.2 percent on its net worth, after taxes. Of course, that is not a picture of exorbitant profits.

But the main point is that these figures are an average, they represent both the non-profitable companies and the profitable companies. Every steel company in the country was engaged in war work. These figures are for companies which have been engaged in operations as a part of the war economy, not the reconversion economy.

In the last 5 months there have been serious cut-backs; and there are many small steel companies in Ohio, about which I know, that now are reconverting; they are changing their operations so that they will be able to make articles for civilian consumption. They now find that they can make them only at a loss.

I think the whole argument of the Senator from Louisiana is based on the fact that in 1943 and 1944 the corporations made large profits. Of course they did, but mostly because of the war business.

Mr. ELLENDER. The Senator does not mind that; does he?

Mr. TAFT. The pork packers made large profits up to about the first of July 1944.

Mr. ELLENDER. Yes.

Mr. TAFT. But the moment you begin to sell at a loss, you cut down production. The Senator has said that prices do not produce production. Of course they produce production. Last week I talked to a big manufacturer of refrigerators. He said, "We are going to reconvert. We are going ahead to make refrigerators. But if they fix the 1942 prices, on which we will lose on every refrigerator, we will make 5,000 or 6,000 refrigerators, whereas we are planning to make 50,000 or 60,000 refrigerators, and we will do so, if we get a decent price."

Mr. ELLENDER. Evidently the Senator did not hear me make a comparison of industrial production during World War I with industrial production in World War II. The Senator has argued, as I pointed out during his absence, that high prices mean more production.

Mr. TAFT. It is inevitable that profitable prices will mean more production. I did not refer to high prices. I say that if the prices which are set are such that no profits will be made, there will be almost no production. If the price which is fixed permits a reasonable return, there will be all the production we wish to have.

Mr. ELLENDER. But the Senator from Ohio pointed out a while ago that higher prices on refrigerators will mean that more refrigerators will be manufactured.

Mr. TAFT. If the price fixed for refrigerators is such that the manufacturer of refrigerators will lose money, he will not make many refrigerators; he will make only enough to keep his organization going.

Mr. ELLENDER. Mr. President, for the benefit of the distinguished Senator from Ohio and other Senators who have recently entered the Chamber, let me point out that during World War I prices increased 88 percent in the period from 1914 to 1918, and production increased 25 percent. During World War II, prices increased 21 percent, and production increased 216 percent. The inevitable conclusion from those figures is diametrically opposed to the theory now advanced by the distinguished senior Senator from Ohio.

Mr. TAFT. Mr. President, with all due respect to the Senator, let me say I do not think his figures prove anything. We have a big industrial production because the Government went to the manufacturers and said, "We want you to produce these things for the war." Of course, we have had three wars at once, so we have had three times as much production as we did in the First World War.

Mr. ELLENDER. Suppose there had been effective price controls during World War I?

Mr. TAFT. Mr. President, this reference to World War I is a mistake on the part of the Senator, because in the first 3 months of World War I there was no greater increase in prices than there was in the first 3 months of World War II.

Mr. ELLENDER. The figures do not show that, I desire to say to my distinguished colleague.

Mr. TAFT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a memorandum giving all the figures, showing that the actual increase for the first 19 months of World War I was just about the same as the increase in the first 19 months in this World War.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

World War I began in August 1914 and United States participation began April 7, 1917, and extended to November 11, 1918—a period of 19 months. Congressional au-

thority to control food prices was given in August 1917 and was dissolved at the armistice, except in wheat, sugar, and hogs as to which there were continuing Government guaranties.

World War II began in September 1939 and United States participation began on December 7, 1941, and extends to date. It is therefore only possible to compare the price controls over 19 months of World War I and the first 19 months of World War II.

The principles of the two price controls differed radically. Price controls in World War I were limited to some 20 essential staples and their products, which comprise over 90 percent of American nutrition. The price controls of World War II cover thousands of grocery items—many of which are refinements and luxuries.

Prices in World War I were based upon stabilizing prices at points nearest possible to the producer—that is, elevators, stockyards, creameries, milk-sheds, etc. Then there was established a "mark-up" for each stage of manufacture or distribution. Prices in World War II were fixed at arbitrary levels at various outlets with subsequent adjustments. World War I methods resulted in the uninterrupted flow from farmer to consumer, required only a few hundred men for enforcement, and resulted in no black markets and no local famines. World War II methods require thousands of men and women for enforcement, require hundreds of millions in subsidies to patch up irregularities, and have resulted in local famines and black markets.

Prices in both wars had advanced considerably before the United States entered the wars, and before control of prices was established.

Taking 1913 as a base of one hundred, the situation in each case at our entry into the war was:

	Year	Farmer prices	Wholesale prices	Retail prices
April	1917	175.0	159.0	144.9
December	1941	132.4	141.0	141.6

The attached table—No. 1—shows the advances in detail, month by month, for the first 19 months of the United States participation in both wars, taking the first month of our participation as 100 base.

World War I prices received by farmers advanced 25.9 points at the nineteenth month and they advanced 36.4 points in the nineteenth month of World War II. (These are the figures of the Department of Agriculture.)

World War I average wholesale food prices advanced 24.2 points at the nineteenth month, while World War II average wholesale food prices advanced 22.1 points at the nineteenth month. (These are Department of Labor figures.)

World War I average retail food prices advanced 24.8 points at the nineteenth month, while World War II average retail food prices advanced 24.5 points at the nineteenth month.

These tables are not fair to the food administration of World War I for three reasons: The authority of the food administration in World War I to control prices was not granted to it until August 1917, while the figures given relate to April 1917; in World War I the indexes include the unregulated luxury and refined foods; and black market prices or subsidies to food dealers are not represented in the statistics of World War II. Also, World War II food agencies have paid out several hundreds of millions of dollars to farmers, manufacturers, and dealers, which do not show in the index of

prices but come out of the consumers' pockets as taxes just the same.

While even the tables given show neck-and-neck advances, if adjustment were made as above, the Food Administration of World War I would show for the first 19 months at least nine points better in farmers' prices, nine points better in wholesale prices, five points better in retail prices.

Table II, attached, shows the money retail prices of 11 staples during World War I period of control.

Table III shows wholesale prices in money for certain staples in World War I and World War II.

Table IV shows the movement of prices in the two wars based upon pre-World War equals 100.

COMPARATIVE CONSUMPTION PER CAPITA

In World War I the conservation of food was organized on a voluntary basis through measures of cooperation with the consumers and the trades. There were no ration boards, ration cards, harassment, and only trivial expenses.

In World War II the conservation of food was organized upon a compulsory basis through ration boards with ration cards and elaborate regulation of the trades at great inconvenience to the public and at high expense.

It is of interest to compare the results of the two methods in the four most critical commodities, and which could no doubt be extended to other commodities. (The figures are from the Department of Agriculture.)

Consumption in pounds per capita per annum for 4 representative commodities

Year	Meat	Chickens	Lard and cooking fats	Sugar
World War II:	Pounds	Pounds	Pounds	Pounds
1942.....	137.9	21.5	22.5	86.2
1943.....	136.6	28.1	24.1	80.3
1944.....	147.0	23.0	23.6	88.4
Average.....	140.5	24.2	23.4	84.9
World War I:				
1917.....	136.0	17.7	21.4	77.2
1918.....	143.0	17.8	22.8	78.0
Average.....	139.5	17.75	22.1	77.6

These figures are for civilians only and are exclusive of the armed services.

World War I figures are inclusive of the armed forces. Moreover, the figures for World War I were based on the difference between production and imports less exports divided by the population. During World War I much food was exported to the Allies which for military reasons was not reported to the Department of Commerce. This is shown by Allied and other figures of imports from the United States as larger than our export figures. Moreover, the statistics for World War II cover full calendar years, whereas the food control in World War I did not include any one full calendar year.

Making reasonable adjustment for these differences, the rate of consumption by civilians for World War I was:

Meats.....	132
Chickens.....	15.2
Lard and cooking fats.....	20.1
Sugar.....	73.3

It was necessary to drastically conserve wheat in World War I which has not been necessary in World War II. The amount of this conservation is indicated by the fact that we exported about 33 percent of the wheat crop available for food in the years 1917 and 1918, when we had no theoretical surplus for export at all. And this was ac-

complished wholly by voluntary action and without ration cards.

COST OF ADMINISTRATION

In World War I, the Food Administration controlled the stimulation of production, conservation in consumption, prices, purchases of Army, Navy, and the Allies, and relief of Europe, all under one organization. In World War II these functions are divided over 7 or 8 organizations. The total number of paid employees in World War I was under 3,000 in the Food Administration and the use of perhaps 4,000 of the Department of Agriculture. The paid employees in World War II of all related agencies possibly exceeds 200,000.

The total administrative expenses of the Food Administration in World War I from beginning to end, including the relief of Europe, was under \$8,000,000. The expenditures during the first 19 months of World War II food agencies probably exceed \$200,000,000. The Food Administration in World War I returned all appropriations of working capital intact and earned a net profit of over \$60,000,000 in food operations. It paid out no subsidies. The food agencies of World War II have paid out several hundred millions of losses on food and subsidies. Thus, the Food Administration in World War I cost \$50,000,000 less than nothing for its 19 months, whereas the food agencies of World War II

have cost several hundred millions in the same period.

TABLE I.—Food prices World War I and World War II—Index numbers

WORLD WAR I [April 1917=100]				
Month of war	Calendar	Prices received by farmers	Wholesale prices	Retail prices
1917				
1st.....	April.....	100.0	100.0	100.0
2d.....	May.....	105.9	106.4	104.1
3d.....	June.....	107.1	104.4	104.8
4th.....	July.....	106.5	103.1	100.7
5th.....	August.....	107.1	107.1	102.8
6th.....	September.....	108.8	108.7	105.5
7th.....	October.....	112.9	112.5	108.3
8th.....	November.....	112.9	112.5	106.9
9th.....	December.....	114.7	112.0	108.3
1918				
10th.....	January.....	117.1	112.5	110.3
11th.....	February.....	118.8	112.4	111.0
12th.....	March.....	118.2	109.6	106.2
13th.....	April.....	117.1	111.1	106.2
14th.....	May.....	116.5	111.0	109.0
15th.....	June.....	114.1	111.2	111.7
16th.....	July.....	117.1	115.9	115.9
17th.....	August.....	121.8	117.2	117.9
18th.....	September.....	127.1	121.6	122.8
19th.....	October.....	125.9	124.2	124.8

TABLE I.—Food prices World War I and World War II—Index numbers—Continued

WORLD WAR II [December 1941=100]				
Month of war	Calendar	Prices received by farmers	Wholesale prices	Retail prices
1941				
1st.....	December.....	100.0	100.0	100.0
1942				
2d.....	January.....	103.5	103.5	102.7
3d.....	February.....	104.9	104.5	103.3
4th.....	March.....	105.6	106.2	104.9
5th.....	April.....	108.4	109.1	105.7
6th.....	May.....	107.7	109.3	107.5
7th.....	June.....	107.7	109.7	107.9
8th.....	July.....	109.8	109.6	110.2
9th.....	August.....	111.9	111.4	111.5
10th.....	September.....	114.0	113.1	111.9
11th.....	October.....	116.8	114.3	114.6
12th.....	November.....	118.9	114.4	115.9
13th.....	December.....	123.8	115.2	117.3
1943				
14th.....	January.....	126.6	116.2	117.6
15th.....	February.....	128.7	116.9	118.1
16th.....	March.....	134.3	118.7	121.5
17th.....	April.....	137.8	119.8	124.3
18th.....	May.....	135.7	122.1	126.4
19th.....	June.....	136.4	121.1	125.5

TABLE II.—Average retail prices of specimen-controlled articles, 1917-20

	Wheat flour	Bread	Sugar	Milk	Lard	Bacon	Ham	Round steak	Coffee	Butter	Eggs
	Cents per pound	Cents per pound	Cents per pound	Cents per quart	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per dozen
1917—August.....	7.6	10.2	10.0	11.4	27.7	43.1	39.4	30.8	30.5	47.6	46.0
September.....	7.4	9.9	9.9	11.8	29.7	44.4	40.9	29.7	30.5	49.6	52.5
October.....	7.1	9.9	9.8	12.7	31.3	48.2	42.6	30.8	30.5	50.8	55.1
November.....	6.9	9.9	9.6	12.8	32.7	48.4	42.6	29.7	30.3	52.8	58.1
December.....	6.8	9.3	9.5	13.1	33.4	48.8	43.4	30.0	30.3	54.4	63.4
1918—January.....	6.6	9.4	9.5	13.4	32.9	48.6	43.6	30.6	30.4	56.7	67.4
February.....	6.5	9.5	10.6	13.4	33.2	48.4	43.8	31.4	30.4	57.9	61.1
March.....	6.6	9.6	9.2	13.4	33.2	48.8	44.1	31.8	30.4	55.2	44.3
April.....	6.6	9.8	9.1	13.2	33.1	49.5	44.6	34.5	30.1	50.7	42.5
May.....	6.6	9.9	9.1	13.2	32.9	50.5	45.6	38.0	30.1	51.0	42.4
June.....	6.7	10.0	9.1	13.0	32.6	51.5	46.5	40.6	30.2	51.1	42.5
July.....	6.7	10.0	9.2	13.2	32.5	52.3	48.7	40.3	30.1	52.6	49.1
August.....	6.8	9.9	9.3	13.6	33.1	54.0	48.5	39.6	30.1	53.9	53.6
September.....	6.8	9.9	9.6	14.3	33.6	56.2	51.9	39.8	30.3	59.2	58.6
October.....	6.7	9.8	10.6	14.8	34.2	57.9	52.0	39.0	30.5	65.1	64.1
1919—October.....	10.1	11.4	16.0	16.0	26.1	52.8	.....	26.9	48.6	71.1	72.0
1920—September.....	11.9	18.3	17.2	27.9	54.5	.....	.....	43.1	46.6	68.4	71.1
October.....	11.8	13.9	17.3	29.2	54.6	.....	.....	42.0	43.4	68.9	80.8

Source: U. S. Department of Labor, Bureau of Labor Statistics Retail Prices, 1913 to December 1920 (Washington 1922), pp. 80-89.

TABLE III. Average wholesale prices of commodities (money value)

	Cattle—steers, good to choice	Hogs—good to choice, heavy: Chicago	Bacon: Chicago	Mutton—fresh, dressed: New York	Butter, creamery—extra: Boston	Eggs—fresh: Chicago	Milk, fluid: New York	Wheat flour—patents: Portland, Oreg.	Sugar, granulated: New York	Rice—Blue Rose, head, clean, medium to good: New Orleans	Potatoes, white: New York
	Per 100 pounds	Per 100 pounds	Per pound	Per pound	Per pound	Per dozen	Per quart	Per barrel	Per pound	Per pound	Per 100 pounds
1917—June.....	\$12.55	\$15.71	\$0.242	\$0.168	\$0.301	\$0.313	\$0.046	\$11.60	\$0.075	\$0.072	\$2.95
September.....	14.99	18.33	.280	.180	.444	.374	.060	10.80	.082	.070	1.00
December.....	13.24	16.85	.314	.188	.452	.484	.072	10.00	.080	.073	1.00
1918—March.....	13.23	16.83	.270	.195	.450	.347	.075	9.00	.073	.078	.69
June.....	17.18	16.62	.280	.224	.441	.316	.044	9.00	.073	.089	.95
September.....	18.41	19.73	.278	.193	.539	.431	.068	10.45	.085	(1)	1.36
December.....	18.36	17.58	.301	.150	.665	.624	.092	10.45	.088	.079	1.02
1919—March.....	18.58	18.96	.305	.214	.610	.389	.076	10.43	.088	.071	1.00
June.....	15.46	20.67	.333	.165	.521	.404	.068	10.88	.088	.082	.93
September.....	16.81	17.00	.274	.118	.575	.457	.075	10.75	.088	.120	1.57
December.....	17.08	13.69	.226	.140	.702	.733	.085	11.75	.109	.114	1.92
1920—March.....	14.40	14.44	.211	.196	.664	.450	.079	12.84	.137	.116	3.29
Per 100 pounds											
1941—December.....	12.75	10.51	.234	.091	.354	.343	3.74	7.17	.052	.064	2.33
1942—March.....	13.36	13.51	.263	.099	.353	.283	3.74	7.01	.053	.070	2.53
June.....	12.99	14.27	.268	.111	.374	.304	3.48	6.49	.055	.070	2.88
September.....	14.53	14.71	.280	.114	.441	.351	3.93	6.81	.055	.067	1.62
December.....	15.13	14.25	.258	.184	.473	.390	4.13	6.93	.055	.057	2.28
1943—March.....	15.95	15.64	.258	.154	.468	.374	4.13	7.72	.055	.067	3.39
June.....	15.88	14.01	.258	.149	.430	.386	4.13	7.88	.055	.067	3.87
September.....	15.84	14.93	.240	.128	.418	.417	4.13	7.88	.055	.067	2.78
December.....	15.41	13.27	.240	.125	.418	.400	4.33	8.02	.055	.067	2.81
1944—March.....	15.53	14.14	.240	.125	.418	.321	4.33	.....	.055	.067	2.79
June.....	16.44	11.96	.240	(1)	.418	.332	4.33	7.92	.055	.067	3.06
September.....	17.21	14.00	.240	(1)	.418	.368	4.35	7.92	.054	.067	3.96
December.....	16.31	14.29	.240	(1)	.418	.418	4.35	7.92	.054	(1)	3.16

¹ Not available.

TABLE IV.—Price index—pre-World War I—100

	Average farm	Average wholesale	Average retail
1915.....	99	?	107
1916.....	118	?	117
1917.....	175	?	156
1918.....	204	?	180
1919.....	215	?	194
1920.....	211	?	207
1921.....	140	?	174

WORLD WAR II			
1939.....	95	?	135
1940.....	100	?	136
1941.....	124	?	143
1942.....	159	?	171
1943.....	192	?	184
1944.....	195	?	179
1945:			
January.....	201	?	?
February.....	199	?	?
March.....	?	?	?
April.....	?	?	?

Mr. ELLENDER. Mr. President, I do not know where the distinguished senior Senator from Ohio has obtained those figures. But, following them, I ask unanimous consent to have printed at this point in the RECORD a tabulation of the comparative price increases over 4 years of two world wars, as appearing on page 4263 of the CONGRESSIONAL RECORD, May 7.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Comparative price increases over 4 years of 2 world wars

	1914-18 World War I (percent price increase) ¹	1939-43 World War II (percent price increase) ²
Cost of living, total ³	50.3	24.9
Food (61 items).....	63.9	46.7
Clothing (111 items).....	85.3	28.5
Household furnishings (39 items).....	77.2	24.8
Wholesale prices, total (889 items).....	96.1	37.5
Raw materials (111 items).....	102.1	69.5
Semimanufactures (99 items).....	131.3	24.7
Finished products (679 items).....	87.6	26.0
Industrial commodities ⁴ (709 items).....	92.4	21.2
Selected manufactured items:		
Steel plates (tank).....	187.4	0
Copper ingots.....	90.3	14.0
Plate glass.....	76.1	0
Wool blankets.....	164.7	⁵ 50.0
Cotton hosiery (men's).....	132.3	⁶ 71.9
Blue denims.....	214.8	74.5
Prices received by farmers for all commodities.....	91	119
Prices received by farmers for 58 foods.....	78	116
Selected agricultural items:		
Cattle.....	58	89
Hogs.....	102	150
Cotton.....	127	128
Milk.....	46	94
Butterfat.....	73	122
Wheat.....	165	133
Corn.....	106	139
Prices paid by farmers for 174 commodities and for interest and taxes.....	71	34

¹ July 1914 to July 1918.

² August 1939 to August 1943.

³ Rent and fuel, not available by months.

⁴ All commodities other than farm products and foods.

⁵ To May 1943, the latest available.

⁶ 1914 to 1918, not available for World War I period.

Source: Farm prices, Bureau of Agricultural Economics; others, Bureau of Labor Statistics.

Mr. ELLENDER. Mr. President, I do not care to take up the time of the Senate to make the distinction between the two, but it might prove interesting reading.

Now, Mr. President, continuing with a comparison of the profits on net sales and on the basis of the capital worth of the 47 steel companies—which are not the large ones, as I said—in 1944 the 47 companies earned 13.7 percent on sales, in contrast to 4.9 percent during the period 1936–39. In other words, their rate of profit on sales went up 275 percent. From 1936 to 1939, the average total annual dollar profit was \$16,000,000. For 1944 it was \$111,600,000. The rate of return on net worth of the 47 companies moved up from 5.9 percent in 1936–39 to 33.4 percent in 1944. In other words, their rate of return on net worth increased over 565 percent. Yet some Senators complain and are eager to afford these concerns greater returns.

If we take the period of 1941, which is the year referred to by the distinguished senior Senator from Ohio in his amendment which he proposes to add to the Thomas amendment, here is what would happen—bearing in mind that if we use the 1941 period, the profit on net sales for those same 47 companies would be 17 percent instead of 13.7 percent, and on net worth instead of making a profit in 1944 of 33.4 percent—these same 47 companies would make a profit of 39.1 percent. Senators should stop and consider the import of the amendment. In the face of such enormous profits as are now being obtained, the Taft amendment would up them considerably.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. In a moment. I repeat, Mr. President, that if we adopt the Thomas amendment which seeks to control prices on agricultural commodities as well as meats, and then tack on the Taft amendment which deals with industrial products, we may as well repeal the Price Control Act.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I will yield in a moment.

I cannot conceive of a Senator standing on this floor and saying that he is in favor of price control and then voting for the Thomas and the Taft amendments. As I have just indicated, if those two amendments shall be adopted we cannot possibly control prices. It will not be possible even to fix ceilings. Price levels must take their course. The moment the cost of living is increased labor costs are bound to increase also, and then the tug-of-war will begin between labor on the one side and industry on the other. It will result in a spiral of inflation. In no time our country will be engulfed in a spiral of inflation which will, according to my way of thinking, destroy our economy.

I now yield to the Senator from Ohio. Mr. TAFT. I read from my amendment:

No maximum price shall be established or maintained after October 1, 1945, over protest, for any commodity or for any major item

of any such commodity, which does not return to the processors and manufacturers thereof and to persons engaged in mining such commodity, not less than the same dollar margin over cost, if any, which they received for such commodity or major items in the year 1941.

It seems to me that that language is so fair and just that no one could question it; 1941 was not a peculiarly profitable year. Corporations did not derive the large profits to which the Senator has referred. I assert that a man who is operating a business should be allowed the same margin of profit during the reconversion period that he had during the prewar period. The Senator contends that in allowing such profit the price-control system will be destroyed.

Mr. ELLENDER. Why does the Senator desire to increase the profits on net worth of companies, such as those to which I have referred, from 33.4 percent in 1944 to 39.1 percent for the same period?

Mr. TAFT. I entirely deny the accuracy of the Senator's figures. The correct figures with regard to 1943 and 1944 show that the steel companies, as a whole, earned approximately 5 percent on their net worth, and not 33 percent. I shall be glad to examine the Senator's figures, and I believe I can point out to him in what way they are wrong.

The OPA has various methods of eliminating this item and eliminating that item, and not counting this cost and not counting that cost. I do not have confidence in the OPA. In case after case during the past year I have found the OPA to be unfair in its calculations. It has even refused to accept the calculations of the Bureau of Internal Revenue. The position of the OPA is that it has been duped by these various companies year after year. The point which I am trying to make is that there is nothing which so destroys price control as a formula which says in effect, "You have the same margin of cost as you had in the prewar period." I contend that if manufacturers and producers are not allowed a reasonable margin of profit over cost, we shall not be able to provide necessary employment and products during the reconversion period.

Mr. ELLENDER. My contention is that all of these various concerns are making what I call unconscionable profits when contrasted with those of the prewar period. I do not believe it to be right at this time to inject into the Price Control Act a formula which will further increase those profits.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. That is what would take place.

Mr. BUSHFIELD addressed the Chair.

Mr. TAFT. The formula would not further increase—

The PRESIDING OFFICER. The Senator from Ohio will suspend. Does the Senator from Louisiana yield to the Senator from South Dakota?

Mr. ELLENDER. I first yield to the Senator from Ohio [Mr. TAFT], and then I will yield to the Senator from South Dakota [Mr. BUSHFIELD].

Mr. TAFT. I wish to suggest only that the formula, based on 1941, would not increase profits over what they were in 1943 and 1944. It would be merely an attempt to restore the margin which existed during the prewar period. I merely wish to make that statement in answer to the contention of the Senator from Louisiana.

Mr. ELLENDER. However, it would have the tendency to increase prices, and that is what the Senator wishes to bring about.

I yield to the Senator from South Dakota.

Mr. BUSHFIELD. Mr. President, the Senator from Louisiana has been talking for sometime about profits as compared with the profits of various industries in various years. I can find nothing in the Price Stabilization Act which says anything about profits. It mentions only three things, namely, the stabilization of prices, fair and equitable wages, and the cost of production. If the Senator knows of any place in the law at which anything is said about profits I should like to have him point it out to me.

Mr. ELLENDER. I am glad the Senator has made his statement. He will recall that many other Senators have stated that the OPA has attempted to control profits instead of prices. The OPA has no right to follow such a course. It has attempted to maintain fair prices which in no manner cut down profits, generally speaking. As a matter of fact in fixing fair prices it has endeavored to allow fair profits. I think that the charge made that the OPA has tried to control profits is not well founded in the light of the fact submitted by me in the last few hours.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. In a moment. During the war with the tremendous increase in our industrial production, of course, prices increased.

I was about to point out that yesterday the Senator from Iowa had, I believe, some figures which he desired to put into the Record, but could not locate them at the moment. I am about to read into the Record a table showing the profits of the meat industry.

Mr. HICKENLOOPER. Mr. President, on that point will the Senator yield to me? I understood the Senator to say that the OPA had no right to regulate profits.

Mr. ELLENDER. There is nothing in the act which gives it any right to regulate profits.

Mr. HICKENLOOPER. I submit, Mr. President, that the very yardstick which the OPA is now inflicting upon the economy of this country is what it calls the over-all industry profits yardstick. That alone, I believe, goes far afield, and beyond any permission granted it, or any legislation enacted in connection with the establishment or maintenance of prices. By its own admission, the OPA is proceeding on a profit basis and not on the basis of a fair and equitable price.

Mr. ELLENDER. Mr. President, I shall now devote a few minutes to the subject of profits on net sales and on

net worth as they relate to the meat-packing industry. Yesterday I promised the Senator from Iowa [Mr. HICKENLOOPER] that I would make an attempt, in my own time, to give him all the figures, and I shall do so now.

I shall now give some information based upon reports furnished by the various packers who manufacture from 70 to 75 percent of meat by volume in this country. The percent of profit on net sales for 1936 to 1939 averaged 1 percent before taxes, and after taxes, 0.8 percent. In 1939 the percent of profit on net sales before taxes was 1.6 percent, and 1.3 percent after taxes. In 1940 it was 1.8 percent before taxes and 1.4 percent after taxes. In 1941 it was 2.4 percent before taxes and 1.7 percent after taxes. In 1942 it was 2.4 percent before taxes and 1.2 percent after taxes. In 1943 it was 2.7 percent before taxes and 1.1 percent after taxes. In 1944, last year, the year as to which a great deal of complaint was made before the Committee on Agriculture and Forestry, approximately 2 months ago, the percent of profit on net sales before taxes was 3.3 percent and after taxes, 1 percent.

Now, Mr. President, let me contrast the percentage of profit on net sales with the percentage of profit on net worth, which, by the way, ought to be the method by which the profit should be estimated.

Last year one packer who was mouth-ing for more profits, on an investment of \$900,000 made \$300,000. Yet he was complaining because, forsooth, cattle prices had gone to the ceiling, and he was unable to make a go of his business.

Hogs and cattle prices reached ceiling only in the beginning of this year. There may have been a few instances in the latter part of last year when the prices of hogs and cattle reached ceiling, but the situation became acute after that, as it is acute now. Of course some of the packers have shown losses, but a number of them, one in particular, a large packer, said that on his overall business he would show a profit. As to the slaughterers of cattle and the slaughterers of hogs, I admit that they did show losses, but I repeat that OPA has been making every effort to help them and I am sure that that attitude will be continued in the future.

Now let us make the comparison on the basis of net worth for the same period. In the period 1936-39 the percentage of profit on net worth before taxes was 4; after taxes, 3.1. In 1939 it was 6.2 before taxes and 5.0 after taxes; in 1940 it was 7.3 before taxes, and after taxes 5.7; in 1941 it was 12.2 before taxes and 8.6 after taxes.

Now listen to the figures for the last 3 years. In 1942, before taxes the percentage of profit on net worth was 16.7, and after taxes 8.4. In 1943, before taxes it was 20 percent on net worth, and after taxes 8.1 percent; and last year, 1944, the year about which we have heard so much, and in the latter part of which some packers showed enormous losses on this and that product, the percentage of

profit on net worth was 25.2 before taxes, and 7.6 percent after taxes.

Mr. BUTLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. ELLENDER. I gladly yield.

Mr. BUTLER. I would appreciate it very much if the Senator would explain to me just what relation that has to the subject under discussion. I take it that what we are interested in is getting more meat and more food for the people to eat; and not whether some large firms or some small firms have made greater profits. It is a little difficult for me to see how that directly answers the question about which we are really concerned namely, the production of food.

Mr. ELLENDER. If the Senator will bear with me in my next topic I will show, if I can, that neither the Taft amendment nor the Thomas amendment or a combination of them will bring about the production which is desired. My guess is that the adoption of either amendment will decrease production, because both amendments simply protect the processors of agricultural products, the processors of meat, and the manufacturers of industrial supplies, the prices of all of which, if the formula is adopted, are bound to go up, and accordingly the costs of the farmer will be increased, and next year he would have to ask for an increase in his prices, and, if it is not granted, he will find himself suffering losses.

Mr. BUTLER. I will appreciate it very much if the Senator from Louisiana will explain to me how there can be brought about increased production of anything, whether steel or food products, without the people furnishing it having a profit on their transactions over a long time.

Mr. ELLENDER. The whole argument which has so far been made on the floor of the Senate in respect to amendments to the Price Control Act is that they would bring about increased production; but, as I have pointed out on several occasions on the floor of the Senate, that is not the case. In the past increased prices have not meant increased production, and I venture again to say that if the Thomas and Taft amendments were adopted they would mean less production, because they would increase to a large extent the costs of the farmer in producing agricultural commodities. The amendments proposed do not in any manner help the farmers.

Mr. President, if OPA has been instrumental, as some contend, in reducing profits in a desire to control prices, it would strike me very forcibly that the death rate among businesses should be on the increase. Is not that logical? There can be no doubt about it in anybody's mind; but as the distinguished Senator from New York [Mr. WAGNER] pointed out the other day and as appears on page 3 of the report on the pending joint resolution of the Committee on Banking and Currency, business failures have not increased. Let us see what the business status has been over a period of a few years.

In 1929 business failures aggregated 22,909; in 1933, 31,822; in 1939, 14,768; in 1940, 13,619; in 1941, 11,848.

Now let us take the war years when, as is contended by some, business has been placed in such a position that it will have to go into bankruptcy. The number of failures in 1942 was 9,405; in 1943, 3,221; and in 1944, only 1,222 businesses failed in this Nation of ours. Yet we hear on the Senate floor that the Price Administration has choked off business by reducing its profits, has led it into bankruptcy, has prevented it from making profits. Yet, as I pointed out on two or three occasions, all businesses have never been so prosperous as they are today.

Mr. President, some time ago I received a challenge from the distinguished Senator from Ohio, and I telephoned OPA for facts, if any they had. I shall read their answer to my request, which, I am sure, will be convincing proof that I have not only accepted the challenge of the distinguished Senator from Ohio but I think I have met it.

The communication reads:

You have requested this Office to provide you with any information bearing on the following request made to you by Senator TAFT in the course of the debate on the stabilization extension resolution in the Senate yesterday afternoon:

"Mr. TAFT. I should like the Senator to furnish me with any statement by any businessman that could not give the separate cost of each major item he manufactures."

In association with Paul M. Green, OPA Deputy Administrator for Accounting, I have assembled a considerable volume of evidence conflicting squarely with Senator TAFT's assumption that businessmen as a rule keep records which enable them to give the total costs and profit margins separately for each major item they manufacture. Our accounting department has had an unparalleled opportunity to become familiar with the accounting practices of American industry. Their experience indicates conclusively the truth of the following proposition:

1. It is impossible to get any profit and loss statements by separate commodities or even by divisions and departments from the great majority of American manufacturers;

2. Of those manufacturers who do attempt to keep product or departmental cost and profit records, the information derived from such records is not in such shape to permit its use by OPA in making industry-wide determinations without extensive investigation and adjustment; because

(a) The methods of allocating overhead costs and profits vary widely among manufacturers even within the same industry; and

(b) The allocation methods used frequently include many arbitrary or conventional factors which, unless carefully adjusted and revised, produce cost and profit figures for each separate product which, when added together, cannot be reconciled with the overall profit and loss statement for the reporting company.

The supporting evidence follows:

1. The textile industry:

In connection with its studies under the Bankhead amendment OPA accountants were obliged to visit approximately 350 textile companies. At least half of the companies visited had no records which would reveal product cost and profit information without extensive cost and financial analysis.

To explain the absence of data from particular companies, OPA developed a form, Statement of Nonavailability, copies of which were signed by officials of each company and placed in the OPA files. Some companies sent in letters instead.

Here are excerpts from some of the statements:

A Virginia knitting mill: "Unit cost of hosiery not maintained."

A North Carolina cotton mill: "No detailed costs by yarn numbers."

An Arkansas cotton mill: "No cost records kept by mill on yarn construction. * * * No costs or sales break-down is kept by fabric style."

A South Carolina cotton mill: "Profit on individual fabric * * * not available as this is an average-cost mill."

Another South Carolina cotton company operating three mills: "Neither costs nor selling prices, or data necessary to compute, are available for individual fabrics."

A Tennessee hosiery mill: "Our bookkeeping system does not segregate expenses in a detailed manner."

A North Carolina hosiery mill: "[Sales of] major item cannot be separated from other sales."

A Texas cotton mill: "The company has kept no sales breakdown, either in amount or fabric * * * no effort has been made to figure profits by fabrics by the company."

A Georgia cotton mill: "The enclosed figures do not represent cost on 4.75 weight only but on the averages of all the styles we make."

2. The processed-food industry (canning, preserving, pickling, drying, and freezing fruits and vegetables):

OPA has had to examine the books of over 400 companies in these industries. The accountant in charge estimates that at least 90 percent of the companies examined did not have cost and profit data by products.

Yet in these amendments we are being asked to separate them, and how under Heaven it can be done is beyond my comprehension.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. In just a moment.

For such studies as it made, OPA had to send its accountants to each company examined, discuss the problem with its officials, and work out a method of securing the needed information in accordance with a formula developed by OPA accounting department.

A quick examination of OPA files produced a list of the names and addresses of 233 food processing companies (not including meat packers) which reported to OPA that they had no product cost or profit data.

Many more such names could be obtained if time permitted.

3. The wine industry:

A west coast accountant who is a specialist and a leading authority on accounting in the wine industry wrote OPA on September 13, 1943, as follows:

"I know of only one vintner which has a set of accounts which segregates the costs and realization from sales of bottled dessert wine and table wine from those of other commodities and where I feel confidence in the accuracy of the results."

4. Survey of reconverting manufacturers:

In September 1944 as a part of the process of developing OPA's reconversion pricing formula, OPA's Accounting Department instructed each of OPA's eight regional offices to interview representative manufacturers in their respective regions to learn whether they could furnish cost and profit data for the last 6 months of 1941 on a departmental or a divisional basis. (A product basis was considered too hopeless to ask about.)

Reports of interviews with 31 small and medium-sized manufacturers, who had made a wide variety of commodities in 1941, were received in Washington and tabulated.

Of the 31 interviewed, only 7 could give the departmental or divisional profit and loss figures requested.

Only 6 could give such figures for 1936-1939.

Twenty-seven said it would be more feasible to give materials prices and wage rates for 1941 than unit costs.

5. The shoe industry:

Signed statements of nonavailability of product cost and profit data were obtained in the course of a survey of the shoe industry. Here are some quotations:

A New York shoe manufacturer: "[Manufacturing costs by price ranges]—unobtainable as records are not kept in manner to supply the information."

A Wisconsin shoe manufacturer: "No costs records available for price range and categories * * * No cost records are maintained by style of shoe."

I now yield to the Senator from South Dakota.

Mr. BUSHFIELD. What the Senator is really saying is that it is too difficult for OPA to ascertain what the profits in business are. I wish to ask the distinguished Senator from Louisiana if he would rather OPA guessed at them than took an exact method of finding out.

Mr. ELLENDER. Mr. President, I do not suppose that OPA has made many guesses. My guess is that if they try to guess, we will have high prices.

Mr. BUSHFIELD. Is that not what they have been doing?

Mr. ELLENDER. As I have indicated to the Senate on yesterday, prices of goods were frozen as of those prevailing in March 1941. But in the meantime, whenever anyone came for an adjustment in price, OPA necessarily bore in mind profits that were shown to have been made in a given period in considering the question of whether or not ceiling prices should be upped. I do not know of any other way it could be done.

If the Thomas amendment shall be agreed to, as I have pointed out on two or three occasions, the books of every producer will have to be examined, if the law is to be followed as it is written, and a reasonable profit must be allowed to the processor on every major product he manufactures.

Mr. BUSHFIELD. Will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. BUSHFIELD. The Senator continues to refer to the profits these different businesses are making, and I repeat that there is not one word in the Price Administration law that says anything about profits.

Mr. ELLENDER. I am not trying to convince the distinguished Senator from South Dakota or any one else that there is anything in the act which gives OPA the right to control profits. I do believe that in making adjustments as to ceiling prices profits should to some extent be considered.

What I am trying to say is that the big cry has been that the ceiling prices ought to be increased, and that new language should be written into the act to accomplish that purpose.

Mr. BUSHFIELD. If there is nothing in the act itself which says anything about profits, why continue to talk about profits?

Mr. ELLENDER. Simply in answer to the Senator from Ohio [Mr. TAFT] and to other Senators who have said that price control has stifled business, that it was not receiving what it was entitled

to, and that we ought to give it more profit. The Senator from Ohio said yesterday, "What good will it do to a business to raise the price of a commodity one or two cents when income taxes will grab most of it?" That may be true. But by increasing prices the cost of living is increased, labor will become disturbed, and the farmer will become uneasy. Then, as I said a while ago, a tug of war will result. Labor will want higher wages because of increased cost of living, and to meet that increased cost of labor industry will ask for an increase. Then before we know it OPA will not be able to cope with the situation, and with that, price control goes out the window.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. Yes; I gladly yield.

Mr. TAFT. In the first place I did not ask for increases for all industries. I proposed a formula. If the prices are not high enough then there should be an increase. On the other hand, many prices are probably higher than the formula prescribes. I made no statement that there should be a general increase in prices.

Mr. ELLENDER. I did not so understand the Senator. In answer to a question by me the Senator from Ohio said he thought the low-cost producer should receive the same price as the high-cost producer. The Senator said that two or three times during the course of the debate.

Mr. TAFT. Yes; I think so.

Mr. ELLENDER. That means higher prices.

Mr. TAFT. Oh, no; it does not mean anything of the sort. It means—

Mr. ELLENDER. That means giving unconscionable profits to the low-cost producer, when today he is receiving more—I will not say more than he should have, but much greater prices than he has ever received in history.

Mr. TAFT. This was my statement, that there are many products which under OPA prices today are compelled to be sold at a loss. If we want to get more production we have to have higher prices for them. There are others probably sold below the formula proposed in the amendments. There are many of them above the formula proposed in the amendments which would not in any way be affected by the amendments. That is the statement I actually made.

Mr. ELLENDER. Yes, but the Senator has been speaking in behalf of the Thomas amendment, and as I pointed out, and as the Senator from Ohio admitted, and as the Senator from Oklahoma admitted yesterday, every producer will have to be given a reasonable profit on every major product he manufactures.

Mr. TAFT. The margin over costs.

Mr. ELLENDER. Yes, that is correct. And I further said—

Mr. TAFT. If the producers have been in business for 50 years, and most of them have, I do not think a price should be fixed which drives them out of business in the reconversion period. Some, as a matter of fact, have been in business for a hundred years.

Mr. ELLENDER. As I pointed out a moment ago, there were 22,909 business

failures in 1929, whereas in 1944 there were 1,222 failures. So we have had very few failures recently. To my way of thinking that shows that price control is not hurting business.

Mr. TAFT. I think the Senator's figures refer to bankruptcies and business failures, which ordinarily do not occur today. What happens today is that hundreds of thousands of small businesses have gone out of business. Today there are something like 500,000, if I remember the figure correctly, fewer small businesses in operation than there were when the war started. I do not say that that is the result of the OPA policy. That is the result of the war. There are only one-tenth the number of gas stations there were in operation before the war. But my point is that the decrease in business failures is not significant. If a man sees that he must do business today at a loss, he will close up his business before he fails. Many packers saw that if they continued to operate they would go into bankruptcy. Such cases do not appear in the Senator's figures. So I do not think that comparison is significant or important.

Mr. BARKLEY. Mr. President, let me say in connection with the question of failure, that the figures quoted by the Senator from Louisiana are taken from Dun & Bradstreet, and they do not simply include bankruptcies but all business failures.

Mr. TAFT. I think they include only business failures.

Mr. BARKLEY. That is what I said; they include business failures.

Mr. TAFT. The Senator said that OPA would have to go into thousands of books. Here are a number of fixed prices. Those are legal prices. Nothing is going to be done about those prices until somebody complains. If a small producer is unable to separate his costs, is unable to show that the price on canned peas, for instance, is below his cost, he does not make his case, and the OPA is not going to change his price. The burden is on him to separate his costs. I venture to say further that any industry—I do not know about the small individual producer—but I venture to say there is not an industry in this country which if it has a case to make cannot separate the costs of its major product and make a case on which that industry can show what that particular product is costing.

Mr. ELLENDER. That may be the Senator's wishful thinking. I quoted many statements a moment ago from industry itself showing that it does not keep books separately so as to show profit.

Mr. TAFT. I admit that.

Mr. ELLENDER. The Senator admits that, and yet the Senator says that it has to be done.

Mr. TAFT. I did not say it had to be done.

Mr. ELLENDER. Yes; the Senator said—

Mr. TAFT. No, no; because—

Mr. LUCAS. Mr. President, I suggest—

The PRESIDING OFFICER (Mr. MORSE in the chair). Senators will suspend for a moment. The reporter is endeavoring to take down what is being

said, and he cannot do it when two Senators speak at the same time. Let Senators speak one at a time.

Mr. ELLENDER. I am sorry, Mr. President.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. Yes; I yield.

Mr. TAFT. The point I was making was that there may be small producers who cannot separate their costs. There may be industries that have nothing to separate. The last statement I made, which the Senator from Louisiana challenged, was I believe that any industry, if it has to, can obtain cost figures, and have the cost calculation made in such a manner that it can show the cost of any major product the industry makes, if it has sufficient accounting force and ability to do it. To answer further, if it cannot do it, then it cannot make a case under the Thomas amendment or under my amendment.

Mr. ELLENDER. If it has not done so in the past, why impose such a burden on business now?

Mr. TAFT. Because business knows. Those who conduct a business may not be cost accountants, but every business knows whether it is selling its product at a loss or a profit. It knows that instinctively. If it claims its product is being sold at a loss, I say it is not going to put the concern to any great sacrifice to obtain the necessary accounting to prove what the concern knows is true.

Mr. ELLENDER. As I interpret the amendment, the cost accounting on each major product will have to be kept by industry—if I correctly understand the English language.

Mr. TAFT. I do not think so.

Mr. ELLENDER. I advance this further argument that the moment the amendment is adopted and becomes law price ceilings as to all processors become unlawful, because the amendment provides, in so many words, that it shall be unlawful to establish or maintain, I repeat, establish or maintain, with the accent on maintain, a maximum price for any major product—unless what? Unless the books of processors are investigated, and an analysis is made of the cost of his labor, and cost of this and cost of that, and when all that is added together a reasonable profit must be allowed on each major product processed by each processor. I will ask the Senator from Ohio to answer this question. What is going to happen in the meantime? If it is unlawful for OPA to maintain its present ceiling prices and it has to resort to the procedure of going to every processor, examining his books, and fixing his costs, and then giving him a reasonable profit, what is going to happen in the meantime? At what price will the processor sell his goods?

Mr. TAFT. In the meantime, if the Senator will read the whole act, the price that has been fixed remains in effect, and it remains in effect until set aside by some court or changed by the Administrator. There is no provision, so far as I know, for a stay. It is conceivably possible that a man charged criminally who could show that that price is illegal, might escape jail, but when the OPA has fixed

a price no one that I know of has yet insisted that that price was illegal and gone on and consistently charged the higher price and taken the chance of going to jail. No one will do that. If this is his guess, he goes to jail.

We expressly provided in the Price Control Act that when a price was put into effect it should remain in effect until it was changed by the OPA or by an order of the court. There was nothing retroactive about the order of the court. There is no way to hold up a maximum price under the Price Control Act. It goes into effect and stays in effect until it is set aside.

Mr. ELLENDER. But the Thomas amendment nullifies that provision, and supersedes it because it provides "That on and after the date of the enactment of this proviso, it shall be unlawful to establish or maintain" certain prices. If that does not nullify the law, then I do not understand the English language. Bear in mind that the amendment states specifically that the OPA cannot maintain maximum prices, unless—

Mr. TAFT. I do not believe the Senator does understand it. If he reads the entire act—

The PRESIDING OFFICER (Mr. MORSE in the chair). Senators will suspend; and the Chair announces that he will strictly enforce the rule, and will not recognize any Senator who does not first obtain the floor from the Chair.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THOMAS of Oklahoma. I should like to ask the Senator whether or not he voted for the so-called Price Stabilization Act?

Mr. ELLENDER. The original act; yes.

Mr. THOMAS of Oklahoma. Will the Senator yield to me for the purpose of reading one or two lines from the Stabilization Act?

Mr. ELLENDER. Certainly.

Mr. THOMAS of Oklahoma. The Stabilization Act, for which the Senator voted, contains the Bankhead amendment, which reads as follows:

On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or in substantial part from any agricultural commodity, which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarns) of this act.

That is exactly the same language as is found in the amendment which the Senator is criticizing.

Mr. ELLENDER. I beg the Senator's pardon. I stated that I voted for the original Price Control Act. I did not vote for the Bankhead amendment as I recall. I made a lengthy speech opposing the Bankhead amendment. However, the Record will show the position taken by me.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from

Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I yield.

Mr. TAFT. I invite the Senator's attention to the fact that the original OPA Act is full of provisions such as section 3:

So minimum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices—

Then follows an elaborate calculation:

(c) No maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in subsection (a).

The Senator's argument on the pending amendment could have been made against section 3 of the original Price Control Act; and yet there has been no trouble with that act. Those limitations on price fixing are exactly the same as the limitations provided in the Thomas amendment and in the Taft amendment.

Mr. ELLENDER. I do not so interpret the Thomas amendment. I do not wish to repeat what I have said many times; but, as I understand, the OPA would be bound to give to each producer of major products a reasonable profit. It would be compelled to examine his books and find out his costs, and then allow him a reasonable profit.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. I do not know whether the Senator has placed this evidence in the Record. It is evidence which must go to the Administrator himself, the individual upon whom will be placed the responsibility of administering the law. If the Senator has it, he can read it into the Record.

Mr. ELLENDER. I intended to conclude my remarks by placing in the Record the data to which the Senator refers.

Mr. President, I was very glad to yield to my colleagues during the course of this debate and to have provoked some discussion on this most important issue.

Many contend that what is necessary now is more production. Some are arguing that the adoption of the Thomas amendment, modified by the Taft amendment, which would cover industrial products, would bring about that result. In my humble opinion it would absolutely do away with price control. Senators who contend that it would not destroy price control, and who say that they favor price control, and at the same time would vote for these amendments, are in my opinion simply giving lip service to price control.

The Thomas amendment would do one of two things. It would cause the price of the lowest-cost producer to go up to that of the highest-cost producer, or else, in localities where the same commodity is produced by a number of producers, there would be different prices for the same product. I understand the differences in prices of some industrial products are as much as 75 percent. In the case of processed agricultural products,

the price differential as to some products ranges from 20 to 30 percent.

So if this amendment were to be adopted, the OPA, in administering the law, would have to ascertain the costs of each processor, and give him a reasonable profit on each major product. In one store a can of tomatoes of one brand might sell for 11 cents; another brand of the same kind of tomatoes for 12 cents; and still another for 13 cents. If such a situation were to occur, my guess is that the retailer would not sell the tomatoes for 11 cents, or 12 cents, or 13 cents per can. He would sell them all at 13 cents and make that extra profit. In my humble opinion this would simply open the door to the worst kind of fraud.

I have argued with OPA on many occasions as to some of their rules and regulations. I have had many disputes with OPA and I did not succeed in every instance in convincing the OPA that I was right. From the beginning the OPA had as employees persons who looked to the welfare of the distributor rather than that of the producer. That situation has been corrected to some extent, and I presume there is still some room for improvement. But, Mr. President, on the whole OPA has done a good job. I ask Senators to look into the small end of the telescope, and not the big end and thereby get the whole picture. Let us not ask, "Why has not OPA done better with respect to this product, that product, or the other product?" Let us consider the job as a whole. If it is considered in that light, we are bound to conclude that the OPA has done a good job in administering a most difficult problem. It has helped us immeasurably in preparing our great country for an early victory against our enemies.

I for one do not wish to amend the act to such an extent as to nullify the provisions of the law. My contention is that we are going to need price control to a greater extent after the war, when peace comes, than we have needed it during the war. I think I can prove that by reviewing what occurred after World War I.

As Senators know, after the war we had an inflationary period. Sugar sold for 37 cents a pound. My father produced sugar in Louisiana. He had worked all his life improving the quality of cane and had earned a considerable sum of money. When the inflationary period started after the First World War, he sold raw sugarcane at eighteen dollars and some odd cents a ton. The next year he thought he would make a killing. He planted more sugarcane, and he produced a big crop which cost him over \$10.50 a ton to produce. But he got only \$3.80 a ton for it. In a few years his savings dwindled to such an extent that he had to borrow money so as to operate his plantation. When he died he owed quite a sum of money.

I do not want that to occur again to anyone in this country. Let us maintain this price control, because, as I said, we will need it more after the war than we do now. Let us maintain the value of our dollars, so that when our soldiers return their savings will be worth stable dollars.

I yield now to the Senator from Delaware.

Mr. TUNNELL. Mr. President, I was going to ask the Senator about the Thomas amendment. I see that the OPA would be limited to a ceiling which, as I understand, would provide for a profit. The amendment provides for—a reasonable profit * * * not less than the profit earned thereon by such processor during a representative base period.

Does the Senator have any idea what is meant by the words "representative base period"?

Mr. ELLENDER. I presume it would mean such a period as the distinguished senior Senator from Ohio is trying to establish—namely, 1941. The Senator from Ohio indicated a while ago that almost any period would do, but the fact remains that he selected 1941, which happens to have been the best year in many years.

Mr. TUNNELL. Suppose the producer had made a profit of 50 percent in 1941. Would the amendment make it impossible for the OPA to fix a price which would make the profit less than 50 percent?

Mr. ELLENDER. No, of course not; absolutely not.

Mr. TUNNELL. The OPA would be bound by that margin; would it?

Mr. ELLENDER. Certainly—just as I pointed out that the OPA would have to be guided by profits made in 1941, should the amendment of the distinguished senior Senator from Ohio—which deals with industrial profits—be adopted.

Mr. TUNNELL. Then, in answer to that question, I understand that the real determination would be the cost price, plus 50 percent, if that was the profit made in the representative period.

Mr. ELLENDER. The OPA would have to use that period as the base, of course, and it could not veer from it.

Mr. TUNNELL. It could not provide for a lesser profit.

Mr. ELLENDER. That is the way I understand the amendment.

Mr. TUNNELL. Then the amendment would make it necessary in those cases to have a cost-plus-50-percent-profit price.

Mr. ELLENDER. It would seem that way to me.

Mr. TUNNELL. Yes.

In fact, are not both amendments a cost-plus proposition for American business?

Mr. ELLENDER. That is what I have been trying to argue—although not in that language. But they would result in guaranteeing a profit. Of course the Thomas amendment goes a little further than the Taft amendment, in that the Taft amendment uses the year 1941 as the base for fixing the price. But as I have already pointed out, the Thomas amendment would compel the OPA to examine the books of every processor as to every major product produced by him, figure out what his costs are and what his profits were during the base period, and then allow him a reasonable profit.

Mr. TUNNELL. But that would be only for the purpose of determining whether the profit which he demanded was in accordance with the profit he made.

Mr. ELLENDER. The Senator means to say the profit he made during that period, of course.

Mr. TUNNELL. Yes; I mean the profit made during that period.

Mr. ELLENDER. That is correct.

Mr. TUNNELL. It would be only a test of his figure.

Mr. ELLENDER. That is correct.

Mr. TUNNELL. But as I understand, in neither of the amendments is there any limitation on costs.

Mr. ELLENDER. I presume that in examining the books of any processor the OPA would have to take into consideration the actual costs. I doubt whether any costs could be added to in any way, unless they could be justified. Unless the processor could show actual necessary costs, I do not believe the OPA would be bound under the amendment to accept any and all costs submitted unless they could be justified as I have just indicated.

Mr. TUNNELL. There would be no limitation as to the actual costs; would there?

Mr. ELLENDER. No; but I think the cost of labor, for instance, could easily be ascertained; and the cost of the product could easily be ascertained, as the amendment provides. Beginning on page 1 it specifically provides:

It shall be unlawful to establish or maintain against any processor a maximum price for any major product (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) resulting from the processing of any agricultural commodity, or maximum prices for the products of any species of livestock (such as cattle, hogs, or sheep) (the products of each species of livestock to be taken as a group in establishing or maintaining such maximum prices) which does or do not equal all costs and expenses (including all overhead, administrative, and selling expenses allowed as expense deductions in computing Federal income and excess profits tax liability) incurred in the acquisition of the commodity or species of livestock and in the production and distribution of such product or products plus a reasonable profit thereon, not less than the profit earned thereon by such processor during a representative base period.

So the OPA would have to take into consideration the cost of labor, the cost of the animal—in the case of livestock—the cost of processing, the cost of distribution, and, in fact, the cost of delivering the commodity to the distributor.

Mr. TUNNELL. How about the cost of advertising?

Mr. ELLENDER. If that were a legitimate cost, I suppose it would have to be included, also.

Mr. TUNNELL. Then there would be practically no limitation as to cost, and the sale price would have to represent a reasonable profit above the cost; is that correct?

Mr. ELLENDER. That is correct. But I doubt whether the cost could be any more than the customary costs in a similar industry. I presume the cost would be limited to what is customarily chargeable.

Mr. TUNNELL. How could it be tested in that way? What test could be made to show whether it was a proper cost?

Mr. ELLENDER. I do not know. I presume that a test could be made to

show what are ordinary costs in such a business—such a business as the one the processor is engaged in—and I presume that could be used as a guide under the amendment.

Mr. TUNNELL. Is not that only a presumption? The amendment simply requires the allowance of a cost-plus price.

Mr. ELLENDER. There is no doubt about that, Mr. President. There is no question about that. The Senator is entirely correct.

As I have indicated, every processor would be allowed that price for his products. As the distinguished senior Senator from Ohio stated a while ago—and he repeated it two or three times—it simply means that the selling price of the low-cost producer would be brought up to the selling price of the high-cost producer. That would be the result.

Mr. TUNNELL. Does the Senator think there would be any intelligent reason for the continuation of the OPA if either one of the amendments is adopted?

Mr. ELLENDER. I am saying that it would simply nullify the OPA and kill it. It would make the act unworkable.

Mr. TUNNELL. That is what I mean.

Mr. ELLENDER. I repeat that those who say they are for price control, but who vote for either or both of the amendments, will simply be giving lip service to price control.

Mr. TUNNELL. I thank the Senator.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the Record, as a part of my remarks, the June 8, 1945, statement issued by Mr. Chester Bowles, Price Administrator. In that press release he covers the situation very well. It seems to be in accord with what I have been contending for the last 3 hours.

There being no objection, the statement was ordered to be printed in the Record, as follows:

"Enactment of either of two proposed amendments to the Price Control Act would mean the end of effective price control and would inevitably result in a general inflation," Price Administrator Chester Bowles stated today.

"No one can question that these amendments would cause immediate and substantial increases in the cost of food, clothing, and other necessities of life," Mr. Bowles said. "Their sponsors say their amendments are intended to raise the prices of these articles. In my judgment, as Price Administrator, they would do far more than this. They would lead to a complete break-down of price control. I refer to the amendments proposed by Senator THOMAS of Oklahoma and Senator TAFT.

"I want to make it perfectly clear," Mr. Bowles said: "that the issues are up to Congress to decide. Congress is our board of directors, and we shall do our best to carry out their decision. As Price Administrator, however, it is my responsibility to state as clearly as possible what I believe the effect of the amendment would be.

"Senator THOMAS' amendment provides that every processor, efficient or inefficient, of any agricultural commodity shall have prices high enough to allow a profit on every major product he sells—over and above any cost he chooses to incur. Agricultural commodities, of course, include wool, cotton, and hides, as well as all basic foods. This pricing formula would not benefit farmers. They would pay more for what they buy and get no more for what they sell.

"We would have to give up uniform pricing, unless we gave everyone a price high enough to yield a profit to the most inefficient. Such a level of prices would not be price control at all.

"A second possibility would be for us to figure an individual price for each product for each firm, based on its own costs and its own profits. We could never recruit the army of accountants needed for these hundreds of thousands of computations, so we might as well eliminate this possibility.

"The only other alternative would be to give every firm a formula for figuring its own costs, profits, and prices. Each firm would have a different price and that price would change with every change in costs, with no incentive to keep costs down. This write-your-own-ticket pricing would be wholly unenforceable. The familiar dollar-and-cent prices which let the consumer know what he should pay would be a thing of the past. The chiseler and the profiteer would have a field day.

"Senator TAFT's amendment applies to all manufacturers, whether or not their raw material comes from a farm.

"The amendment reflects Senator TAFT's view that we have had too little inflation in this war. It requires, for every manufactured commodity or major item thereof, a profit equal to the dollar profit per unit of sale received on that commodity or item, by the industry generally, in 1941.

"While this amendment avoids the quagmire of complete individual seller pricing, it would be no less effective than Senator THOMAS' in raising prices. In the end it would lead just as surely to the collapse of price control.

"The amendment would require increases in the ceiling prices of a majority or near majority of all manufactured goods. OPA would be required to disregard entirely the over-all earnings position of an industry and allow price increases on each separate product having a profit below the prescribed standard. Widespread price increases would be compelled in the most profitable industries as well as in the least.

"Senator TAFT has picked out a profit standard which would raise manufacturers' total profits far above the record levels even of 1944. In 1941, when the inflationary upsurge had not yet been checked, dollar profit margins (that is, the profit per unit of sale) were the highest in recent times—higher even than in 1944. This inflated unit profit, multiplied by the greatly increased volume of sales, would produce fantastic total profits—profits which, I am sure, the responsible leaders of American industry do not seek.

"The amendment proceeds upon the assumption that manufacturers maintain an accurate product-by-product break-down of their costs. Our experience in seeking such figures has made it completely clear to us that many, indeed most manufacturers, simply do not do so. Thus the amendment could not be administered except by guesswork. Guessed-at prices are invariably high prices.

"Above all, it must not be thought that the initial price increases required by either amendment would be the only ones. One man's price is another man's cost. Each price increase would lead to another. Bitter experience has taught us that once this dangerous spiral starts, its only end is collapse.

"These two inflationary amendments are proposed in the face of facts which show conclusively that during the wartime period production has increased enormously, incomes of business, farmers, and labor have all grown to unprecedented levels, and there has been less individual economic hardship than at any other time in the country's history.

"The reconversion period brings new problems. Under the present law OPA can and will gear its price policies to the needs of the reconversion period so as to promote full employment and full production—the only final answer to inflation."

LEAVES OF ABSENCE

During the delivery of Mr. ELLENDER's speech:

Mr. LA FOLLETTE. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. LA FOLLETTE. I ask unanimous consent that I may be excused from further attendance upon the Senate for the remainder of this day.

The PRESIDING OFFICER (Mr. MORSE in the chair). Without objection, the Senator from Wisconsin is excused.

Mr. SMITH. Mr. President, I ask unanimous consent to be excused, so that I may keep an important speaking engagement in New Jersey this evening.

The PRESIDING OFFICER. Without objection, the leave is granted.

EXTENSION OF EMERGENCY PRICE CONTROL ACT OF 1942 AND STABILIZATION ACT OF 1942

The Senate resumed the consideration of the joint resolution (S. J. Res. 30) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. HICKENLOOPER obtained the floor.

Mr. MOORE. Mr. President, will the Senator yield to me?

Mr. HICKENLOOPER. I yield to the Senator for the purpose of enabling him to ask a question.

Mr. MOORE. I should like to ask a question of the Senator from Louisiana, who has been speaking. I noticed that the Senator repeatedly stated he thought it essential to maintain price control after the war.

Mr. ELLENDER. Yes.

Mr. MOORE. Will the Senator be more specific about that, and will he say for how long a period after the war price control should be maintained, in his opinion?

Mr. ELLENDER. It should be maintained just so long as production does not reach the demand for any particular article. I understand that under the present law the OPA may take the ceiling price off any commodity at will. I think it has done so during the past when the supply of a particular commodity equaled the demand for it. Under the act in its present form I am certain that should any commodity which is now under price control be produced in such quantity as to make price control in relation to it unnecessary, no further law would be needed in order to permit OPA to release such product from price control.

I assert with all earnestness that I believe it is imperative for the future of our economy to maintain prices even though they have to be maintained for as long as 5 or 6 years from now. Let us maintain price control so as to stabilize our economy. We want our dollar to be worth a dollar in American money. Let

us not permit our economy to drift into a situation similar to that which now prevails in China and many other countries.

Mr. MOORE. I agree with the Senator.

Mr. ELLENDER. I am glad that the Senator agrees with me.

Mr. MOORE. I believe that it is generally conceded that the demand for all products and commodities which America can produce will be enormous during the reconversion period. The demand for food products will be enormous because the world must be fed from the production of America. Is it not essential that some kind of incentive be provided for the purpose of increasing production to the very limit in order that we may feed ourselves as well as other nations of the world? Can we achieve maximum production under the present policies of the OPA?

Mr. ELLENDER. I think we can.

Mr. MOORE. Is it not generally conceded that so far as the shortage of food is concerned the Committee on Agriculture and Forestry has learned that because of mismanagement by the OPA under the law itself a shortage of food has resulted?

Mr. ELLENDER. I cannot agree with that statement. I recently made a speech of almost 2 hours in duration in which I made the situation quite plain. It is my honest conviction that the reason that our country has been able to go along industrially and produce ships, cannon, and other articles of war in vast quantities has been the stabilization of prices.

Mr. MOORE. We are talking about food.

Mr. ELLENDER. I understand that; but the same situation applies with respect to food. As the Senator has indicated, our production may not be in the same volume as it is at the present time. However, it is my honest conviction that because of price stabilization and the incentives which have been furnished through the WFA, our country has been able to increase its food production one-third over the prewar volume.

Mr. MOORE. The Senator's statement suggests another question which I should like to ask. The object of holding prices within reasonable bounds is to protect the American dollar and prevent inflation, is it not?

Mr. ELLENDER. That is correct; and the object is also that of aiding production.

Mr. MOORE. Yes. Does the Senator contend that the incentive which has been offered to producers in the form of subsidies is or is not inflationary in itself?

Mr. ELLENDER. I have debated that matter on several occasions.

Mr. MOORE. Possibly I was not present when the Senator addressed himself to the subject.

Mr. ELLENDER. It may be inflationary, but not to the extent it would have been had we not resorted to subsidies. As I pointed out some time ago in the Senate, if we had not resorted to subsidies the prices of certain commodities

would have increased, thereby adding approximately \$80,000,000,000 more to the cost of carrying on the war. Under the price-control system—

Mr. MOORE. Let us be a little more specific. Those figures are quite general.

Mr. ELLENDER. Yes, but they can be easily ascertained to be true.

Mr. MOORE. How does the Senator reconcile the number of livestock in the country with the shortage of meat which now prevails?

Mr. ELLENDER. Of course, as the Senator knows, there is no doubt that we have a meat shortage at the present time. That is due largely to maldistribution.

Mr. MOORE. There is no shortage of cattle.

Mr. ELLENDER. Yes; there is a cattle shortage. I do not mean there is a shortage at the present time in comparison with previous periods; but I mean that there is a shortage when we take into consideration the necessity of appeasing the appetites of the American people.

Enormous amounts of money are now in circulation, and the purchasing power of the American people has increased. The demand for meat has increased, and there is not a sufficient supply to appease the appetites of the American people. Compared to prewar production we have an enormous supply of cattle. Compared to the amount of meat that could be sold and consumed at present because of the huge buying power of the American people, we are short of cattle.

Mr. MOORE. What is the reason for that situation?

Mr. ELLENDER. I cannot conceive of our ability to produce—

Mr. HICKENLOOPER. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. BUTLER. Mr. President, will the Senator yield to me?

Mr. HICKENLOOPER. I yield.

Mr. BUTLER. I should like to propound a question to the Senator from Louisiana who has spoken at considerable length, and very forcefully, in behalf of certain phases of the question confronting us today in connection with the OPA. The Senator has failed totally to mention one phase of the question which concerns me at the moment. I refer to the fact that we are facing a reconversion period, and if we follow the rules and the formula which have directed OPA policies in the past we shall be confronted by new problems. We are now about to enter the reconversion period and already, in many places throughout the country, employment has been reduced from the 48-hour week to the 40-hour week. Only yesterday a delegation of men representing certain unions was in my office and stated that they believed it would be only a short while before the 40-hour week would be reduced to a lower level. That brings our country face to face with this question: What effect will the OPA policy have on reconversion if it continues its policy of profit control instead of price control?

In this connection, Mr. President, I wish to read one telegram of many which I have recently received. This

telegram was sent to me by a merchant, and reads as follows:

I am very much in favor of only a short extension of Price Control Act for 3 months and easing of regulations to encourage the manufacture of needed merchandise. New maximum average price order effective June 1 is unwise and unworkable and will cause many factory closings unless modified at once.

I now wish to read from a letter which I recently received from the largest manufacturer of brooms in the world. He was in my office not long ago and told me that brooms were being imported from Mexico. I asked him to explain why that was being done. He subsequently wrote me the letter to which I have referred, from which I read as follows:

Now, with regard to the Mexican broom question, we have a customer in Pennsylvania that buys a great many whisk brooms from us, but we have never hoped to sell them very many house brooms because of the fact that we were catering at all times to the better class of broom trade, and they were considered more or less of an outlet for common and medium-grade merchandise, but to my surprise we received an order for some 200 dozen of one of our best-brand brooms, which we sold to them at \$10.75 per dozen, and which we know the housewife would cheerfully pay 50 cents more for than the broom they have been offering their trade made in Mexico, for which they are paid \$15.50, and are being retailed to the trade at \$1.65, or at least they were up until the last report I had, which is not over 3 weeks old.

The highest-price broom we made is being sold at approximately \$3 per dozen less than those being offered to the trade for which this customer of ours is paid \$15.50 per dozen, and it would not in any way compare with the cheapest brooms we have to offer, but what provokes me is that OPA is trying to set up a regulation for us that will, in many instances, force the broom manufacturers in the State to reduce their ceiling prices, and yet they will price into the consuming public a broom for which the trade must pay \$1.65, and is not worth to exceed \$1 even by stretching the value, because of the acute shortage existing in house brooms.

What I object to is for OPA to price brooms imported at a much higher price than we are getting, still they are trying to tell us that we are too high.

The situation facing us in the reconversion period is not a trivial matter, because it concerns thousands and tens of thousands of small-business manufacturers who, in the total, make up the largest number of employers in our entire country. What I am about to say has to do with a small firm that, like almost all other manufacturing firms, has been making war material until recently. Their business in that line dropped off, and they are looking forward to the future; they want to keep their employees, numbering between 50 and 60, and they desire to put on the market an article which they desire to manufacture.

Early this year the Ford Aircraft Tool Manufacturing Co., of Omaha, Nebr., made application to the Office of Price Administration to establish a price on a cigarette lighter which they hoped to manufacture. The principal objective of the company in planning to manufacture these lighters was first to soften the shock of the reconversion activities and to prevent unemployment, so far as

humanly possible, in their line of business in Nebraska.

During the war this company manufactured products which were of extreme importance and value in the prosecution of the war. Considerable credit should be given to the initiative and ability of any concern which, anticipating a necessary reconversion program because of cut-backs in war contracts, proceeds immediately to adapt its equipment and machinery to a peacetime product that would prevent unemployment.

An unnecessary amount of delay attended the review of the application by the OPA's Durable Price Branch of the Consumers Goods Division in the Price Department, necessitating the company to send representatives to Washington at considerable expense on several occasions. While the Ford company had very thoroughly investigated the manufacturing and material costs with relation to the production of the lighter and had established what they felt was a fair market price, the OPA contended that the price was entirely too high and away out of line with the price set for other lighters of comparable material. This allegation was made in the face of definite information that several lighters slightly inferior in quality and cost had been priced much higher than the price the Ford company had asked for. Representatives of the OPA contended that they had made a mistake in permitting a high price on these other lighters and intended to roll back the price.

In view of the fact that the venture into the manufacture of cigarette lighters was a new experiment for the Ford Co., they very sensibly asked for a fair price to permit them to go ahead, with an understanding that if after production was attained there were excessive profits, they would on their own accord ask for a new price bracket and roll back their own market costs. This very sensible and businesslike approach found very little sympathetic response from the OPA. They would not even agree to permit a reexamination after a 6 months' period of operation to allow an increase in the price if production and material costs resulted in a loss to the company. The argument was based primarily on the allegations that other recognized companies were producing similar lighters much cheaper. No consideration was given to the fact that other recognized manufacturers had already established production and marketing channels for lighters and in the process had been able to stabilize their overhead and manufacturing costs.

It is just sensible business to know that a new company which in the instance of manufacturing cigarette lighters has to purchase dies and other materials, cannot compete immediately in price structure with old and established firms, but lack of this principle and a refusal by the OPA to recognize it practically precludes any new company from going into business unless they are willing to make a large capital investment against a background of tremendous risk of ever realizing any profitable return.

After negotiating with the OPA for a period of about 4 months, a price was

established only after the company decided that it would be probably better to go into the manufacture of the lighter even if the price set meant a loss in the company's operations. In a further attempt to stabilize business activities in my State, this company designed another lighter and submitted it to the OPA for an allocation of price. A similar delay is being experienced on this item.

I point to these matters in the hope of showing the very unrealistic and unbusinesslike approach that many concerns in this country must face in having to go before the juvenile minds in OPA in order to establish a private business that would soften the blow of unemployment and aid tremendously in bridging the gap between war-contract and peacetime operations.

I may say in this connection, Mr. President, that the distinguished Senator from Louisiana has been talking of what has happened in the past. He has not given one single thought to what faces us in the future which, to me, is far more important than the statistics he has been reading of what has happened in the past.

Mr. ELLENDER. Mr. President, if the distinguished Senator will permit me, I may say that I believe other Senators desire to speak, and I do not think it is exactly right for me to cover the whole subject. I want to leave my good friend, the Senator from Arkansas [Mr. FURBRIGHT] an opportunity to talk on the point raised by the Senator from Nebraska; but, as I understand, the OPA has worked out a plan for reconversion, and, with the permission of the distinguished Senator from Iowa, it may be that the extended question asked me by the Senator from Nebraska can be answered by the Senator from Arkansas. Will the Senator from Iowa not permit the Senator from Arkansas to do that?

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HICKENLOOPER. Mr. President, I agreed some time ago to yield to the Senator from North Dakota [Mr. LANGER] for the purpose of putting an editorial and some other matter into the RECORD, and then I shall yield.

(At this point Mr. LANGER asked and obtained leave to insert in the RECORD certain matters, which appear in the Appendix.)

Mr. PEPPER. Mr. President—

Mr. HICKENLOOPER. I yield to the Senator from Florida for a question.

Mr. PEPPER. I wanted to make a brief observation, but I can make it in the form of a question.

I wanted to comment on the interrogatory propounded by the Senator from Nebraska relative to the reconversion period. I am wondering if the Senator is not overlooking the larger aspects of the reconversion period by failing to take into consideration the changed economy into which we shall reconvert as compared to the system from which we converted. For example, when we began to convert to war we had a national debt of, say, \$35,000,000,000. Now we have a national debt of \$288,000,000,000. That money is in circulation or in institutions in the country. Before the war we had currency in circulation of, we will say,

four or five billion dollars. Now we have currency in circulation of \$28,000,000,000, which is in the hands of the people. So the economy into which we are going to reconvert is quite a different economy from the one from which we converted to a war economy. Did the able Senator from Nebraska himself not lose sight of the fact that half of the families of this country make less than \$2,000 a year and that when the price structure is disarranged and prices are permitted to rise the income of half the families of America who make but \$2,000 a year is seriously reduced?

So, in order to give one manufacturer a better price than he has been getting, and a little more profit than he has been receiving, I am sure the Senator would not want to open the Pandora's box of inflation, which would result in very grave injury to the majority of the people of our country. The able Senator must remember that the war is not yet over, so that the question of reconversion is not so acute.

Mr. BUTLER. Mr. President, with reference to what the distinguished Senator from Florida has said, I should merely like to ask whether he approved of a small industry which is attempting to reconvert and continue in business having to go before the OPA, the kind of an OPA we have had thus far for about 3 years, to obtain permission to join up with the new economy about which he speaks.

Mr. PEPPER. The answer is "Yes; I do believe it is required," because we have to run this activity on principle, and for all the people, and we cannot have a rule that will apply merely to one person. I think the man who goes to the OPA is entitled to a sympathetic hearing and is entitled to have his case adjudicated on the basis of justice and common sense, but certainly everyone should have to conform to the standards of an agency trying to protect all the people.

Mr. BUTLER. The Senator's remarks would indicate to me what we have been told rather frequently, that the OPA is not a temporary organization or a war set-up, but is intended to be permanent in the United States, and to that I am opposed.

Mr. PEPPER. No; the able Senator is in error about that. I do not know of anyone who has proposed a permanent OPA, any more than a permanent WPB has been proposed; but in the interest of all the people the present controls should not be too quickly relinquished, because we are out of equilibrium, and until we get back to something like the equilibrium of normality, it would be an injustice to the masses of the people not to give them some protection through a disinterested agency.

Mr. BUTLER. Does the Senator from Florida think we will get back to a private-enterprise economy more quickly by following the OPA rules and regulations, or by permitting reasonable or even rather unreasonable profits on certain articles, until men are reemployed?

Mr. PEPPER. To answer the Senator's question, I think we will get back more quickly following the former course which the Senator indicated. We cannot

expect to get back to desirable normality through the portals of chaos.

Mr. TAFT. Will the Senator from Iowa yield that I may cite one case?

Mr. HICKENLOOPER. I yield.

Mr. TAFT. I have in my hand a telegram handed to me by the senior Senator from North Dakota [Mr. LANGER] which illustrates a situation from one to three examples of which I receive every day. This is a telegram from the Buffalo Coal Mining Co., of Matanuska Valley, Alaska. It reads:

ANCHORAGE, ALASKA, June 8, 1945.

Senator WILLIAM LANGER:

By reason of amendment 43, April 27 this year, to Maximum Price Regulation 288 issued by Office of Price Administration, Buffalo Coal Mining Co., of Anchorage, and mining coal in Moose Creek, Matanuska Valley, Alaska, has been forced to shut down operations by reason of prices set which is far less than actual cost of production. * * * Foregoing OPA order effective May 17 reduced all prices about \$1.70 per ton from going price and about \$2.70 less than production costs figures on 10-month period July 1944 to May 1945. Price differential could have been adjusted immediately pursuant to amendment by OPA office at Juneau, Alaska. * * * Records of production costs covering above period have been in hands of Mrs. Mildred Herman and W. W. Woodall of OPA since May 24, and conferences held without any results. This serious condition being treated with seeming indifference. Shut down of mine has caused miners to be thrown out of work in addition to lack of coal urgently needed. Amendment by OPA must be made to OPA regulation thereby allowing at least production costs.

Mr. President, that happens over and over again, because the OPA does not care whether it puts people out of business or not.

Mr. PEPPER. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield, but after this I shall ask Senators not to request that I yield further, for a time, because I have been yielding for about 40 minutes.

Mr. PEPPER. I wonder if the able Senator from Ohio would really wish to make the charge against any group of his fellow citizens that they do not really care whether people go out of business or not. There may be errors in administration, the OPA may not have been able to decide every case rightly, or as quickly as it should have been decided, but the able Senator, being one of the distinguished lawyers of the country, I dare say has many times complained about a decision in a court which he did not like, which he thought was erroneous, and by which he thought a client was deprived of something that was his. Yet that does not mean that we disestablish the judicial system of the country, and that we fail to abide by law, that we quit submitting our disputes to judges and juries, who do err. I am sure the able Senator may have pointed out a case where the proper result has not been reached, or the result was not reached in the right time, but those of us who have had experience in courts know that we have had occasion to complain about judges and juries, but we did not set aside the judicial system.

Mr. TAFT. Will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. TAFT. I fully agree with what the Senator from Florida has said, and that is the approach I have made right along, until the cases became so numerous that they have come to me every day, and from almost every industry. Yesterday I cited, not 1 case, but about 15 cases of widely different industries, in which exactly the same attitude has been taken. I stated that I had come to the conclusion regretfully that the OPA was willing to sacrifice justice in an individual case, or the production that is necessary for this country, in order to carry out its preconceived economic theory of the absolute necessity of a retail price freeze on everything, and an opposition to an increase of any kind.

Mr. PEPPER. But the able Senator, of course, recognizes the vast multitude of individual industries there are in this country. They run up into the hundreds of thousands, and, if we take them all, into the millions. To make an individual decision in every case, the Senator, with his sense of fairness, would recognize to be a superhuman task. So the OPA generalizes as much as it possibly can, because of the impossibility of dealing with each individual case. Perhaps the Senator having called these matters to the attention of the OPA will get quicker action than the parties aggrieved were able to get.

Mr. MOORE. Will the Senator from Iowa yield to me a moment?

Mr. HICKENLOOPER. I yield.

Mr. MOORE. I assure the Senator from Iowa that I ask for the floor merely to submit an amendment which I desire to offer to the joint resolution. I submit the amendment and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. HICKENLOOPER. Mr. President, for the last 2 or 3 days we have been having extensive and sometimes heated argument about the question of the continuance of one of the great war agencies of the Government, or amendment of the law under which it was established. I think it is significant to note that this agency has been operating during the war period, for about 3 years; that each year its power has been renewed; that only at this time has the apparent great wave of opposition and resentment to the activities of OPA been given strong voice, and there must be some reason for that.

In the first place, I believe that the overwhelming number of people in their own minds believe that price control in wartime is a necessary step in order to prevent a spiraling price structure. I believe the evidence of the last 3 years has shown that the American people have cooperated magnificently in controlling prices, and in putting up with restrictions and shortages and minor disagreements and disabilities. I think the record is very clear that in the last war the American people did a magnificent job in the way of cooperation in the economy of the United States. I think that if the Members of the Senate will study carefully the figures which the

Senator from Ohio put into the Record a short time ago as to comparative cost of the first 19 months of the First World War and the first 19 months of this war, they will be astounded at the similarity of the curve and the similarity of the costs.

It is to be noted that in the First World War the cooperation was voluntary. It did not require all the vast army of employees which now exists, and the millions upon millions of dollars paid out for enforcement and minute regulation and interference with business. But it was a voluntary cooperation which gave splendid results. However, in this war we have followed a different course, a course of compulsion, and a course of enforcement, if you please, by a myriad of officers running all through our States and cities and counties and communities in various, in fact, in all kinds of economic activities, as well as in many of the social aspects of our society. The result is that today a tremendous storm of protest is rising in this country, and so much of it is centering upon the activities of OPA that there must be some reason for it, and I think there is.

Manifestly in time of emergency or time of war it would be desirable to pass a general enabling act and then trust to the good sense and the good judgment and the vigor of the administrative officials to conduct the administration of the act in the best interests of the public and in the best interest of the war effort. I say that would be the ideal as an emergency measure. Of course I want it clearly understood that I believe that no system of control of our economy, except moral controls, have any place in a free American system of competitive enterprise as a peacetime proposition. But, unfortunately, I think that every Member of the Senate and every Member of the House of Representatives has his mail full of complaints citing instances of various lines of business throughout the country being strangled, denied the right to operate within any limits of ingenuity, constantly controlled, and supervised, all that has a strangulating effect on our economy which will be felt, I believe, more acutely in the postwar reconversion period than it is even at this time.

Mr. President, there has been considerable discussion in the Senate yesterday and today respecting the philosophy of OPA and concerning the intent of the law, but it probably is a continuance and an emphasis of the attempt Congress made, or thought it made, along the direction it considered proper in order to correct some of the inequities of the administration of this great activity. As the Senator from Oklahoma [Mr. THOMAS] pointed out yesterday or the day before, the Congress has three times attempted to define the administrative limits within which the OPA should operate. The last attempt was the Bankhead amendment. That was read a moment ago, but I desire to read it again, because I think it bears very materially upon the amendment of the Senator from Oklahoma. The Bankhead amendment was adopted in 1944 as

an amendment to section 3 of the Stabilization Act, and bear in mind, we have been operating under it without any disruption of our economy, without any spiraling prices necessarily except the natural spiral that has gone on. This is the language of the Bankhead amendment:

On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this act.

That language was adopted last year. Again for emphasis and again in realization that the Senator from Oklahoma pointed this out and it has been pointed out before, may I, however, read the language of the Senator's amendment:

It shall be unlawful to establish or maintain against any processor a maximum price for any major product (applied separately to each major item in the case of products made in whole or in major part from cotton or cotton yarn resulting from the processing of any agricultural commodity—

And so on. The language is practically verbatim. The line of disagreement in this argument seems to be on the question of the words "each processor." I should like to speak for just a moment on my understanding of that provision and my belief as to how it could and should be administered.

Let us first bear in mind that the OPA today has full power to readjust the prices of any and every manufacturer, processor, distributor, or otherwise within the scope of the law as it now stands. OPA not only can do it but is doing it in increasing degree throughout various branches and agencies. So this language gives OPA no greater duty, no greater power, than it already has.

In the administration of this amendment, as I conceive it, the OPA would simply make use of the voluminous files and the intricate and accurate information it already has. After reading repeatedly the testimony taken by the full Committee on Banking and Currency, and the subcommittee, I for one do not hold for one minute that OPA has to reach out and get another figure. OPA has been gathering the figures for 3 years and doing, in my opinion, what it has no right to do; namely, to go back in various businesses for years and getting their figures and statistics. Many times those figures are not available, but that has been a part of OPA's minute regulatory system. Nevertheless OPA has been gathering these figures, so OPA has them respecting all major industries. OPA has the figures, otherwise it could not fix the arbitrary prices it now has put into effect on even small items.

I wish to illustrate that by referring to one business, that of a man who makes stockings and socks. He manufactures 104 different types and kinds of socks. OPA has no difficulty setting the price on

the socks which he manufactures. It is true OPA has set a price on 63 lines of his socks which in each case is below the provable cost of production, and it has set a price on 41 of those lines above his cost of production. So he is making a modest profit. But OPA has no difficulty in coming to the conclusion as to what the price should be on the various lines. OPA has gone so far as to set the price on screws which go into machinery, screws which are almost too small to pick up with the fingers. OPA has gone from that to setting the price on airplanes and locomotives. OPA already has run the whole gamut of our economy in all its minutiae, so OPA cannot be heard to complain that a little detail in the enforcement of the Thomas amendment would either stymie OPA, block OPA, or cause a spiral of inflationary and advancing prices. I cannot hold with that argument at all, because in the past, in my opinion, in the field of minutiae, the OPA has gone far beyond any requirement that could be made under the terms of this amendment.

I believe that the amendment of the Senator from Oklahoma could be enforced easily and simply. With the figures it has at the present time, the OPA knows, within a fraction of a cent, what the cost of small-cost articles is, and within a fraction of a dollar what the cost of greater-cost articles is. It would not be difficult for the OPA, if it cared to administer this amendment in the spirit in which the Congress would write it, to determine the proper prices.

There, Mr. President, lies the crux of the whole administrative end of OPA—the intention in the minds of those who administer the law. If they cared to administer the Thomas amendment in a frank, friendly, and efficient spirit, they could establish satisfactory prices for the products of businesses coming within the terms of the amendment. There would be no complaint whatever, and no occasion for examination of complaint. Thereafter only companies which could prove that they were operating at a loss, or operating at a margin below that established by the Thomas amendment would ever come in and prove their cases. Manifestly, unless no attempt were made to falsify its records, no company would come before the OPA unless it thought it had an airtight case and could prove beyond doubt that it was operating either at a loss or at such a close margin that it came below the standards of the Thomas amendment.

It seems to me that this amendment could be administered simply if the OPA desired to administer it simply. If the OPA wished to make it complicated, it could make it complicated. But there is no necessity under the Thomas amendment to examine the books of every company in the United States in every line of business. There is no provision for it. There is no requirement for it under the Thomas amendment. If that should be done, it would be because the OPA would be going far afield and stretching the law in its administration of the act.

It is true, as was stated here yesterday or the day before, that attention has been focused on this situation primarily be-

cause of the meat shortage. It does us no good to stand here and say that there is a great deal of meat in the country. Your wife and my wife, Mr. President, know that they cannot buy meat when they go to the grocery store or the meat market. It does no good to say to the American public that there is plenty of meat in the country. Perhaps there is plenty on the hoof; but we have not yet reached the point of eating it raw. There is comparatively little meat in legitimate channels.

I have before me an admission of the shortage. In the Washington Star of May 18, 1945, there is an account of an interview with Mr. Chester Bowles, the Price Administrator. We have heard much said on the floor of the Senate, and in various other places, about 117 pounds of meat per capita, or 126 pounds, or 130. Whatever figure one uses, it probably cannot be successfully disputed. I would not dispute whether the correct figure is 117 or 130.

The news story in the Washington Star of May 18, 1945, is headed "OPA Chief estimates per capita meat quota at 60 pounds this year." Let me read the story:

Price Administrator Chester Bowles today let housewives in on a Government secret—when the Agriculture Department estimates the per capita consumption of meat at 115 pounds a year, actually only about half that amount of meat will be available in stores under the rationing program.

I believe that is not an overstatement.

"Without realizing that a considerable part of the total rationed food supply goes to civilians in the form of manufactured products and through restaurants and other places where food is served, housewives look at the figures, total up the number of ration stamps they have and then wonder how in the world OPA expects them to obtain their share at the present point values," Mr. Bowles declared.

I shall not read the remainder of the story. I ask unanimous consent to have the entire article printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPA CHIEF ESTIMATES PER CAPITA MEAT QUOTA AT 60 POUNDS THIS YEAR

Price Administrator Chester Bowles today let housewives in on a Government secret—when the Agriculture Department estimates the per capita consumption of meat at 115 pounds a year, actually only about half that amount of meat will be available in stores under the rationing program.

"Without realizing that a considerable part of the total rationed food supply goes to civilians in the form of manufactured products and through restaurants and other places where food is served, housewives look at the figures, total up the number of ration stamps they have and then wonder how in the world OPA expects them to obtain their share at present point values," Mr. Bowles declared.

Mr. Bowles said the misunderstanding comes from the fact that per capita figures usually refer to total supplies.

"For instance, when the Bureau of Agricultural Economics announced recently that per capita supplies of meat would be 115 pounds annually it did not mean that household consumers would buy all of that meat directly with their ration stamps," he explained.

"Actually, only about half of that meat will move against ration stamps," he said.

"The Bureau figures were based on carcass or wholesale weight and do not take into consideration a 15-percent loss reducing it to butchers' counters. On top of that, some meat goes to public eating places which require no surrender of stamps and some goes into soups and other manufactured products," Mr. Bowles said.

He estimated that these and similar uses, plus normal shrinkage, take up 40 to 50 percent of the total civilian meat supply.

"Thus, instead of 115 or 120 pounds of meat per person to be bought with ration points, it is likely that about 60 pounds on an annual basis will be available at retail counters to the average ration book holder," he declared.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Iowa yield to the Senator from Maine?

Mr. HICKENLOOPER. I yield.

Mr. WHITE. I have been a member of no committee especially charged with the study of the OPA problem, and particularly the meat problem. I have only the general knowledge which I think every Senator has about the situation.

The Senator from Iowa has been speaking about the supplies of meat available to civilians. I happen to have before me a memorandum which excites my interest. I should be glad to have the Senator offer me an explanation of the situation which I shall outline to him in a moment, if he is able to do so.

This is a copy of an interdepartmental memorandum from the treasurer of the Bangor State Hospital, in my State, to the State purchasing agent. It is dated May 28, and reads as follows:

We today contacted Swift & Co., Armour & Co., Wilson & Co., and Penobscot Beef and Provision Co., for any kind of meat, oleomargarine, butter, or eggs. Not a pound of meat, butter, or oleomargarine and no eggs obtainable except that Armour & Co. had six cases of margarine. The same has been about the situation for the past 10 days. No assurance of improvement. A farmer slaughtered a small cow because she injured her foot and we got the carcass; 425 pounds which is practically all the meat we have. Approximately 1,000 pounds of carcass beef is required for a meal here. The kitchen requisitioned 5 cases of eggs this morning. We only had 2 cases. The diet slips for this week call for 40 dozen eggs.

Nearly 1,400 people here to be fed. Can you offer any solution?

I do not know the occasion for that situation; but it seems to me that something is fundamentally wrong somewhere when a State institution caring for sick and unfortunate people is unable to procure, upon any terms or by any expenditure of effort, meat, butter, eggs, and other food products so necessary in the care of patients. Can the Senator, out of his experience and his intimate knowledge, give me any explanation of that situation, and can he suggest what can be done about it?

Mr. HICKENLOOPER. Mr. President, I am glad the Senator from Maine has asked that question. It relates to one of the fields which I had not in-

tended to discuss, because I wished to curtail my remarks somewhat. But it is very important.

In the first place, as a rule, institutions of that kind obtain their meat from supplies which have been shipped across State lines. Much of the meat supply, for instance, on the eastern seaboard and much of the meat on the western seaboard—in fact, in many sections of the country—is dependent upon interstate shipments. That meat must be federally inspected, in order to authorize its interstate shipment. As I said, I did not intend to cover this phase of the subject, and I do not have the exact figures with me, but I believe I can state them with substantial accuracy. Several years ago approximately 70 percent of all the meat slaughtered for human consumption in the United States was slaughtered by federally inspected plants. Approximately 30 percent was slaughtered by nonfederally inspected plants. With the manipulation of prices and in view of the fact that not only was the profit squeezed out of the slaughtering business for legitimate slaughterers but they were actually compelled, beginning some time last year, universally, to sell at a loss, the situation became very difficult, indeed, for them. It became most difficult for them to obtain meat at a price in competition with the prices the black market purchasers would pay for meat of various classes and qualities. The result was that the ratio between the amount of meat slaughtered in federally inspected plants and the amount of meat slaughtered in nonfederally inspected plants began to change, and I am informed that today about 45 percent of the meat slaughtered in this country for human consumption is slaughtered in federally inspected plants, and about 55 percent is slaughtered in nonfederally inspected plants. I would say that generally, without exception, the black market supply of slaughtered meat comes from the nonfederally inspected plants. Let me make myself clear. I do not mean to say that every nonfederally inspected plant is a black market operator; no. Many of such plants are very fine and legitimate, and their complaints will show what is happening to them. But it is from that field that the black market comes.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator permit me to make a statement at this point?

Mr. HICKENLOOPER. Yes; I yield.

Mr. THOMAS of Oklahoma. My amendment is the result of the investigation carried on by the Senate Committee on Agriculture and Forestry. After the meat investigation was completed, the committee prepared a report, and submitted it to the Senate. The amendment then was prepared, in an effort to cure the defect indicated by the report of the committee. Although we have plenty of meat on the hoof, plenty of live animals—about as many as we have ever had, if not more—and although we have as many slaughterhouses as we have ever had, and they are ready for operation if they can operate, the trouble is, as I see it, that many of the slaughterhouses cannot operate. They cannot

operate because of two reasons. The first is that the price ceiling is so low that they cannot obtain their cost of production. So they cannot operate. Others are not operating legally; they have found that if they operate legally they cannot get their money back, so they have gone on the black market.

The amendment is intended to give the slaughterhouses a sufficient spread so that they can buy the animals at the ceiling from the farmer and at the floor of the packing plant and slaughter the animals and process them and sell them within that spread. That is the purpose of the amendment.

Unless the amendment is adopted or unless the OPA modifies its rules and regulations, the situation which now exists will continue to exist, and consequently the eleemosynary and charitable institutions which have been referred to by the Senator from Maine will find themselves in a worse situation than the one which now confronts them. Today they do not have any eggs or butter or meat, to speak of, and the situation will grow worse.

I should like to ask whether any other Senator has a program to suggest as a cure for this situation? My committee has said that this amendment will help. I make the statement that if the amendment is adopted and if it is properly, fairly, and honestly administered—as I think it will be—in 60 days' time we will begin to see an improvement and a correction of the defects which now exist.

Mr. HICKENLOOPER. I entirely agree with the Senator.

Mr. President, I should like to continue with my answer to the question asked by the Senator from Maine. Heretofore the armed forces have required a quota set aside from the federally inspected plants. In other words, they have told the operators of the federally inspected plants, "We want so many pounds of beef and so many pounds of pork. Set that much aside for us." Let us say that perhaps 2 years ago that amounted to 25 percent of what the packing houses produced. But with the armed forces still setting aside the same poundage of meat from the federally inspected plants and with the percentage of meat processed by the federally inspected plants much reduced, it is apparent that in that field alone a reduced amount of meat has been produced for the general public or for institutions of the kind referred to by the Senator from Maine.

I think the amendment proposed by the Senator from Oklahoma is the most constructive step which has been proposed in at least an optimistic hope of doing something about the situation. As the Senator from Oklahoma has said, we must enable the legitimate slaughterers to enter the market again.

I have on my desk copies of telegrams which I believe were placed in the hearings of the Committee on Banking and Currency. Let me say that these telegrams were sent in March, and since that time conditions have become worse. One slaughterer sent the following telegram:

We could kill 1,000-1,200 cattle. Have killed from 500-600 in recent weeks. Reducing kill to 200-300 this week.

Another one said:

We could slaughter from 350-500 more cattle weekly if prices were satisfactory.

That means that if they were not losing from \$15 to \$35 on each steer when they slaughtered it and when it went through their plant, they could slaughter from 350 to 500 more cattle a week.

Another one telegraphed as follows:

Could slaughter 400 additional head per week if prices adjusted favorably.

Another one telegraphed:

We are slaughtering 300-400 cattle weekly. Our normal kill is 1,000. We have capacity to handle 1,200 providing price structure would permit. We have been forced out of the market several weeks as prevailing prices paid would have put us in violation of the maximum.

That means that if they had paid the prevailing price on the black market, for instance, or if they had pushed up their price in order to compete, they would have lost their subsidy, and they would also have lost whatever subsidies the Government had been paying them to enable them to stay in business.

Another packing company telegraphed:

We could increase approximately 150 head weekly.

Another one telegraphed:

We are selling no dressed beef as all cattle are used in sausage production. If prices were favorable we could kill 50 head more weekly.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. Will the Senator state the dates of those telegrams?

Mr. HICKENLOOPER. They were sent in March of this year.

Mr. LUCAS. I thank the Senator.

Mr. HICKENLOOPER. I am quite sure they were placed in the Record of the hearings held at that time by the Committee on Banking and Currency.

Let me relate what I was told 10 days ago by one of the Big Four packing companies. Incidentally, I think they can weather almost any storm; they are all right. It is not the big fellows I am fighting for, but it is the little packers who take care of the meat supply of the United States; they are the ones we wish to keep in business.

One of the members of the Big Four told me about 10 days ago that in his entire organization throughout the United States—he has a number of plants—on the day previously, only 40 beef animals had been killed. His organization could not obtain more animals at the price which it was required to pay under OPA regulations.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MOORE. I should like to have the Senator from Iowa clarify, if he can, his statement that the federally inspected plants are increasing in number. Is that what the Senator said?

Mr. HICKENLOOPER. I cannot be certain about that. I would not want to say that the nonfederally inspected plants are increasing. I believe they are

increasing. What I said was that the proportion of meat killed in federally noninspected plants in this country is increasing. The percentage of total meat killed in nonfederally inspected plants, when compared with the total amount killed in Federal-inspected plants, is increasing.

Mr. MOORE. Meat contracted for by the Government must be federally inspected, must it not?

Mr. HICKENLOOPER. Yes.

Mr. MOORE. And the plants which do not produce meat for the Government may or may not be inspected.

Mr. HICKENLOOPER. That is correct.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I will yield in a moment.

Mr. President, normally there are approximately 350 packing plants in the United States which are federally inspected. At the present time there are approximately 420 such plants. Until the cancellation by OPA of its slaughtering permits there were 25,000 slaughtering permits, including those issued to farm slaughterers, butcher-shop slaughterers, and those who slaughtered for commercial sales.

Mr. MOORE. Most Senators have received inquiries from nonfederally inspected plants. The supply of cattle has been reduced to such an extent that many such plants have been compelled to go out of business. I have submitted to the OPA complaints of that character and the reply has been in effect, "Let the plants become federally inspected." As I understand, when a plant is federally inspected an option can be exercised by the Government on approximately 60 percent of the plant's slaughtered supplies. That situation could destroy, of course, the purposes of the local packers and result in no meat for the public.

Order No. 1, which was recently issued by the OPA, and which was supposed to be to the advantage of the nonfederally inspected plants, absolutely precluded the operators of nonfederally inspected plants from operating.

Mr. HICKENLOOPER. To which order was the Senator referring?

Mr. MOORE. Order No. 1, which was recently issued by the OPA.

Mr. HICKENLOOPER. Yes.

Mr. MOORE. In reply to an inquiry which I made of the OPA in respect to what would take place in connection with the situation existing in Tulsa, to which I referred the other day, in which the operator was compelled to close his plant, the OPA said that the plant might become partially federally inspected. However, that is not an answer to the question. The solution offered by the OPA would not increase the quota of the plant at all, and the cost of operating the plant on the basis of the established quota is resulting in a loss of five or six thousand dollars a month.

Mr. HICKENLOOPER. That is correct, and the plant will have to employ more men and lose more money.

Mr. MOORE. Yes; the plant cannot remain in business. That is what happens under OPA Order No. 1.

Mr. HICKENLOOPER. As an illustration of the general attitude which has been adopted by the OPA, I recall that when the hearings began before the Committee on Banking and Currency, the OPA said that it was looking into the situation, that everything was all right, and it did nothing further about it. The OPA asked some of the packers to submit figures, but it did nothing more until the tremendous demand which followed for meat, a great deal of which was stimulated by the Committee on Agriculture and Forestry investigating the food situation. Perhaps the Banking and Currency Committee did not go into the matter minutely because it was looking at the over-all situation. Three separate attempts have been made recently to rig the price market, not one of which has brought the food situation out of the red.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. BUSHFIELD. • Apropos of the discussion of federally inspected and nonfederally inspected plants, I think it is only fair to read a statement to the Senator from Iowa, which was recently made by Mr. Bowles. He stated as follows:

In April, as you know, the OPA was given authority to control the slaughtering of livestock by all nonfederally inspected owners. A program was immediately worked out which called for the registry of all farm and nonfederally inspected commercial slaughterers throughout the country.

So I assume that at the present moment all of the slaughterhouses to which the Senator has referred are either federally inspected or must operate under a certificate, so in effect they are federally inspected at the present time.

Mr. HICKENLOOPER. I do not so understand the situation.

Mr. BUSHFIELD. I show to the Senator Mr. Bowles' letter.

Mr. HICKENLOOPER. It is my understanding that only approximately 420 plants in the United States are now under Federal inspection.

Here is what happened. The OPA went into the situation and issued approximately 28,000 permits to slaughterers in connection with the food program. Then the black market became active. In an attempt to control the black market the OPA canceled all those 28,000 permits. My information is that it has been reissuing them just as fast as applications for them have been received, and that in many instances permits are being reissued to the same persons who had apparently been operating in the black market.

Mr. LUCAS. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. I do not wish to allow the statement of the Senator from Iowa to go unchallenged. I wish to submit certain facts with respect to the subject which the Senator is discussing. I do not have my notes before me, but the facts, as I remember them, are these: Approximately 27,000 permits were originally issued by the War Food Administration. I say that with emphasis because the strongest terms of condem-

nation are constantly being applied to the OPA. The original permits were issued by Marvin Jones, the head of the War Food Administration, and 27,000 of those permits were issued.

Only recently the OPA was given authority to issue permits. It canceled all slaughtering permits, and asked the holders of them to submit verified statements with respect to what they had done during 1944, and, perhaps, in 1943. In more than 30 days' time only 11,000 applicants had asked to have their licenses renewed. That is pretty good evidence that approximately 17,000 persons were probably engaged in black-market operations. In other words, one of the questions asked of those slaughterers was, "Were you engaged at any time in selling meats above the ceiling? Were you engaged in black-market operations at any time?" I believe that perhaps in a short time we shall probably find that our black-market meat, or at least a part of it, which has apparently been handled by 17,000 operators, will be explained to a considerable extent.

Mr. President, I did not want to allow the impression to remain that these same permits are being issued in every case to the same persons who had formerly held them.

Mr. HICKENLOOPER. Mr. President, I read from a report which I believe gives the figures as of the date of the report:

On May 14, under our new authority, the licenses previously issued by the Government to the 26,436 nonfederally inspected commercial slaughterers were canceled. By May 25 only 15,220 nonfederally inspected slaughterers had registered with OPA for their quotas.

I think both the Senator from Illinois and I probably were a little at variance on that.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. Let me finish this statement.

No doubt some of those who have not registered still intend to do so. It is fair to say, however, that the 11,216 who failed to apply have been operating on the black market. However, they can no longer do business.

That is a theory, of course, which I think has not been substantiated, and I think there is much argument on the other side.

Mr. LUCAS. Mr. President, if the Senator will permit, I agree with him that not enough time has passed to give a fair test, but the mere fact that 27,000 of these licenses were issued and the way the slaughtering industry has been making money lead me to say it is a pretty safe gamble that with 10,000 or more still out there is something radically wrong, or they would still be in business; they would not wait 30 days to ask for a renewal of their licenses to slaughter cattle and hogs and other animals.

I hope I am wrong in that, because I do not want to impugn the patriotism or the motives of any slaughterer in this country, but I think it is a pretty safe guess that there is something wrong; otherwise, these men would be here. But the statement I challenged was that the OPA

had issued these permits right and left to apparently the same people who had been in the black market before.

Mr. HICKENLOOPER. I have rather interesting data here furnished by the OPA—bulletins informing people how to renew their slaughtering permits. They said: "If you did not collect the ration points for your meat last year, you will have to agree to do it this year, and please tell us how much meat you sold without ration points and how much with ration points." That indicates that it is a simple matter to get a permit back. All they have to do is promise to be good from now on.

Mr. LUCAS. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Iowa yield to the Senator from Illinois?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. My only reply is that 15,000 have been able to comply with the questionnaire the OPA sent out, and if those 15,000 could comply with all the questions asked, perhaps the other 10,000 could, too, if they were on the square with the OPA rules and regulations and the price-control law.

Mr. HICKENLOOPER. I do not have enough of the facts, and I doubt if anyone has, as to these 8,000 or 10,000, to produce the exact proof.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. BUSHFIELD. I should like to call the attention of the distinguished Senator from Iowa to the particular language which he quoted in the statement or letter from Chester Bowles. He spoke of maldistribution of meat in this country. That is the only difficulty with the so-called meat shortage in the United States today, namely, maldistribution, and the OPA has exclusive jurisdiction and charge of the distribution, and has had for months.

Mr. HICKENLOOPER. Mr. President, the question of meat is the big issue in connection with the price policy of this country. We have the question of production in all lines of our economy, but, as I stated earlier, meat is the thing which has focused the attention of the country upon this issue.

As in the case of meat, I think in the case of many manufactured products, every Member of Congress, both of the House and the Senate, has his mail clogged with complaints on the part of people who are known to be members of a group of honest and reliable persons who make assertions and statements and who give their calculations showing that under present price regulations in many instances they are being forced to operate at a loss.

Mr. President, repeated examples have been given by the Senator from Ohio and others along that line. I shall not plow that ground again, because it would be repetition. Literally hundreds and thousands of examples could be put into the Record, but enough have already been inserted for illustration, and in my opinion to anyone who cares to read, they present a rather ominous picture of the determination of a Federal agency to disregard the economy of the country in

the interest of maintaining a record, and, if you please, a line.

I say here and now, Mr. President, that I am of the firm conviction that OPA has now come to the point where it emphasizes the maintenance of a line, the curve of a chart, and its great tendency is to disregard the whole economy that goes into the building of the chart. In fact, we have a number of statements of OPA officials to this effect, "Yes, it is perhaps true that some businesses are going to have to quit under this over-all-profit yardstick, but what of it? Look at the line of price we have maintained." That field, too, has been ploughed. Grade deterioration has been discussed. The fact that we cannot really buy the merchandise today in many instances which goes to make up the price curve, but we have to buy some other and more expensive class of merchandise, is not taken into consideration in the price calculation.

In making their economic curves and charts respecting the price of commodities they do not consider the great subsidy payments made on these foodstuffs. They do not consider a great many factors which go into the actual dollar out-of-pocket cost of living of the American public, but they seem to be possessed with the idea of pointing to a curve and keeping that line on the board running somewhat level, and as I stated before, disregarding the economics of this country which go to make up that curve. Therein lies the danger.

For a little while I want to speak about one phase of enforcement by OPA which I think has contributed to the restlessness and to the discouragement of the American people. That is the minutiae in OPA enforcement and regulations which I discussed a while ago.

First, let me call the Senate's attention to a story which appeared in the Chicago Tribune of June 5 last. I shall not read all this story. There is an editorial in the Chicago Tribune dealing with it. I shall ask leave to place the story and the editorial in the Record in order that I may consume less time than I otherwise would. Those who wish to read the story and the editorial may do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

The news article and editorial are as follows:

FARMER DEFIES BUREAUCRATS OVER KILLING TWO COWS—OPA ISSUES RULE ON INJURED ANIMALS

The legal status of the carcasses of two cows that were struck by a train and then slaughtered Monday by Elmer Bastian on a farm near Hinckley, De Kalb County, was uncertain yesterday, Office of Price Administration officials in Chicago said. But Miss Verna Lee, chief clerk of the ration board in Sandwich, which serves Hinckley, said the two men had obeyed regulations.

"Bastian obtained a permit to process the carcasses," she said, "and we authorized him to sell the meat on condition that he demand points for it."

NEW RULING ON INJURED ANIMALS

The circumstances of the slaughtering prompted Robert M. Harper, district director of the Moline OPA office, in whose jurisdiction Hinckley lies, to announce a series of meetings of farmers to clarify the tangle of

red tape and regulations surrounding home butchering.

"We are going to tell the farmers," he said, "that although a permit ordinarily is required before slaughtering an animal, in case of injured animals a farmer is free to go ahead with the slaughtering and to notify us immediately afterward."

The Bastian cows, with a third, had strolled into the path of a Burlington freight train early Monday. One animal was killed and the carcass sent to a rendering works. Legs of the two others were broken.

When Bastian started to slaughter the injured animals an OPA investigator, W. L. Pratt, who was driving past, warned him not to proceed until he had obtained a permit, the farmer reported.

He proceeded with the slaughtering, however, and Thursday was tendered an order by Pratt and George Greenaway, another OPA agent, to appear at the Chicago office yesterday morning. The order ended: "Fail at your own peril."

BOTH FAIL TO APPEAR

Yesterday Greenaway and Pratt admitted that the order was not a legal summons, but an "invitation." Greenaway said he had appended the ominous warning because the phrase appeared on regular subpoenas, and he thought it would be a good idea.

The order was directed to Berge Skartveit, a tenant on the farm owned jointly by Bastian and a partner. Neither Skartveit nor Bastian showed up in Chicago to be questioned. Pratt and Greenaway were present, however.

When officials transferred the case to the Moline OPA office, the agents said they would continue their investigation and would report their findings to Moline. The agents remarked that they had no way of knowing that the cows had been struck by a train.

Both denied using abusive language when they called at Bastian's store at Hinckley Thursday and were confronted with the beef carcasses hanging in the cooler. Pratt said he had not counseled letting the injured cows lie in the pasture for 3 days while the permit was being obtained, as Bastian charged.

THE OPA PONDERS A COW

Three cows got on the Burlington railroad tracks near Hinckley, in De Kalb County. A freight train reduced one of them to unsalable hamburger and crippled the other two. The tenant on the farm notified Elmer Bastian, one of the owners, and Bastian decided that the crippled cows would have to be killed.

He had killed one when W. R. Pratt, an OPA employee from Elgin, appeared and demanded whether he had a slaughter permit, which obviously he didn't. Pratt ordered Bastian to do nothing further until he had heard further from him. Pratt. Bastian killed the second cow to end its suffering, called the OPA office in Sandwich, Ill., and was given permission to butcher the meat, store it in the cooler of his store in Hinckley, and sell it if he collected ration points for it.

Three days later Pratt and another OPA employee, George Greenaway, appeared at Bastian's store and gave him a summons to appear at the Chicago office of the OPA. They told him that there he would be given instructions about slaughtering the second cow and disposing of the carcasses of both animals. When Bastian asked them if they expected him to let the injured animals suffer for 3 days while the OPA made up its mind, and then showed them the dressed carcasses hanging in his cooler, he was, by his own account, subjected to a torrent of profanity by the 2 OPA representatives. The agents retreated when their behavior attracted an angry crowd of Hinckley citizens.

To the OPA, apparently, the 2 cows presented no more than a problem of licensing

a slaughterer. To Bastian, the people in Hinckley, and the local OPA board in Sandwich they represented meat. If Bastian had waited for the OPA to act the meat would have been lost.

Mr. HICKENLOOPER. Mr. President, the story is—and I assume it is true, it seems to be established by OPA officials—that a train out of De Kalb, Ill., ran into two cows and mangled them somewhat, but did not kill them. The farmer who owned the cows knocked one of the cows on the head and was butchering her in the field in order to save the meat when an OPA representative stopped him and said he had to obtain a slaughterer's permit before he could kill and butcher that cow. The farmer's language was not such as we use on the Senate floor in speaking of OPA officials. In any event, he continued cutting up his cow which he had killed after she had been mangled by the train. The OPA representative told the farmer not to touch the other cow. The farmer, however, proceeded to butcher both cows, which he had killed after the train had mangled them.

A day or two later the farmer received a very formidable order from the OPA which summoned him to appear before the tribunal which was set up in Chicago, and the following very ominous words appeared at the end of the order: "Fail at your own peril."

I shall now read from the news story which allegedly quotes Mr. Greenaway, I believe, on that particular point.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. Is the Senator from Iowa quoting from a statement of facts which he has received?

Mr. HICKENLOOPER. I am quoting from the story which appeared in the newspaper, which I have put in the RECORD to save time.

Mr. LUCAS. From what is the Senator quoting?

Mr. HICKENLOOPER. I am quoting from the Chicago Tribune of June 5.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. Has the Senator attempted to check with the OPA respecting the truth of the story?

Mr. HICKENLOOPER. I did not clearly hear what the Senator asked.

Mr. LUCAS. Does the Senator think it is really fair to present the newspaper item until he has checked the facts with the OPA to ascertain definitely whether that story is true? Does the Senator think it fair to bring that article in here as an argument against continuation of OPA, especially coming from the Tribune, as it does?

Mr. HICKENLOOPER. The Senator from Illinois might not agree that the Chicago Tribune was a proper source of information. I presume the Chicago Tribune's philosophy differs somewhat from that of the senior Senator from Illinois. I have no quarrel with the Senator's belief one way or the other, and will not dispute the matter with him. Nor do I hold any brief for the Tribune. But I believe the journalistic ethics of the Chicago Tribune measure up to the

average journalistic ethics of the newspaper profession generally throughout the United States. Some newspapers are on one side of the question now before us, some on the other side. But I believe that in their news-reporting policy newspapers probably maintain a fair standard.

Mr. LUCAS. The only thing I am talking about is that the Senator from Iowa is willing to use that newspaper story in support of an argument he makes against continuation of the OPA, without calling the OPA on the telephone or writing to OPA to ascertain what the facts are, and as to whether what the article says is true or not. In other words, it is the same old story, Mr. President. There are some Senators who do not want the facts. The story may be true, I will say to the Senator from Iowa. I do not know. I read the same story. If I had desired to comment on that story on the floor of the United States Senate I would have taken time to have telephoned or written a letter to ascertain the truth of the story before I rose on the floor of the Senate and used it as a basic argument for the repeal of OPA.

Mr. HICKENLOOPER. I believe that editorials and news stories in great numbers are submitted for the RECORD by Senators with the assumption at least that they substantially state the facts as printed.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. TOBEY. Adverting to the remarks of the Senator from Illinois, I take it his inquiry was based on the theory that the whole thing might be "bull;" is that correct? [Laughter.]

Mr. LUCAS. It sounds very much like it.

Mr. HICKENLOOPER. I yield in the matter of interpretation of "bull" to those who have had more experience than I, and I am willing to accept their analysis.

I will give one item that appeared on May 6, 1945, in a newspaper in my home State, and I will state to the Senator from Illinois that I rely very much on the accuracy of the news reporting of this newspaper. An item appeared in the Des Moines Register of Des Moines, Iowa, dealing with the butter situation. I am merely giving some illustrations to show what makes the public restless under present enforcement by OPA, and public sentiment is an element which must be considered in any free country.

The article states:

Some Des Moines food outlets Saturday reported they have been having a little trouble with butter turning rancid for the lack of customers with sufficient points to buy that commodity.

Butter, which commands a ration price of 24 points a pound has been plentiful in stores in recent weeks. On the other hand oleomargarine, which "costs" 12 points a pound, has been scarce.

My purpose in reading that is to show that the public in that part of the country, as verified by letters I have received, simply does not have the points in its possession to pay 24 points a pound for butter, and the OPA has done nothing

about it. Butter in some places has become rancid.

I have other news stories showing that butter has become rancid in Wisconsin and in other States in recent weeks. Yet in the administration of this act no change in that point system has been made in order to enable the reduction of the surplus stocks of butter. No change in the system has been put into effect.

I wish to give Senators another illustration of the administration of the act, and a thing which multiplied thousands of times in varying degrees over the country has contributed to this great storm of protest which has been built up. I wish to read to the Senate a very substantial portion of the broadcast made by Fulton Lewis, Jr., on May 18, at Los Angeles, which was referred to by the Senator from Ohio yesterday, in which he very carefully sets out a condition which exists. I think it is a matter for discussion. Fulton Lewis said:

The story tonight is a story about three little guys—three little Swiss and the land of opportunity—the land of the free and the home of the brave.

Their names don't make much difference, really, but in case you are interested they are Sil Antognoli, and Louis Margnetti, and Francis Rodari. They're good, hard-working citizens all of them, and I have investigated and found that each one of them has a record as clean as a hound's tooth. They've never been involved in any trouble of any kind; they have no police records; they're very serious little people.

Years ago, during the 1920's they got together and rented a little hole in the wall, down in lower San Francisco, and set up a lunch counter—eight stools and two side tables, and they did all the work themselves, except for the dishwashing, and they hired a man to do that.

Incidentally, I have on my desk a picture of that hole-in-the-wall. It is only a small lunch counter.

Incidentally, all through those early days, each of them was taking \$25 a week as his share of the profits, and they worked 15 to 18 hours a day, and they were paying the dishwasher \$31 a week, for one regular shift.

When the depression came along they kept a considerable list of their long-time customers who were eating on credit—most of which was never liquidated—but that didn't make any difference; they merely shrugged their shoulders and smiled and said those people had to eat, didn't they?

As time went on, by very long and very patient work, and those same back-breaking hours, and by infinite frugality they saved up several thousand dollars and last October the floor of the lunchroom caved in and the building was condemned. So, inasmuch as they had to rebuild, they decided to take a risk and try to realize the dream they always had cherished—to have a really nice, really high-grade establishment, of which they could be proud. It was impossible to do that, of course, on the same price scale they had been charging in the little hole in the wall, so they went to their local OPA board and explained what they wanted to do, and they were told to go ahead and when they were ready to open to bring in their proposed price changes and the OPA would fix them up.

It was a rather difficult business for these three little Swiss men, because they knew nothing of the complications and eccentricities and intricacies of WPB priorities and such things, but they finally made their way through the maze and got WPB approval of their construction plans and proper WPB priorities for the materials nevertheless.

They also went to the Bank of America and, after they had been thoroughly investigated, they were given a loan by that institution. In October they began construction and they built a really beautiful restaurant which they named the Saint Moritz, and they even got their linen and silver and glassware and chinaware.

It's a spot that does credit even to San Francisco, which is renowned for its magnificent hotels and eating places. It has deep pile carpeting on the floors, beautifully paneled walls in rare woods, excellent murals, a gorgeous bar with sparkling glassware in front of a mirrored back, subdued lighting throughout. And all through this construction period these three little guys were in there working their hearts out, helping with the job in order to keep the cost as low as possible. When the regular crews would go off at the end of their day, these three would keep on working far into the night, digging ditches for the plumbing, doing carpentry work, putting in the sewers, everything conceivable.

On December 15 it was ready to open and it held a really proud position in a neighborhood of high-class competitive restaurants, all of which were doing a tremendous business, jammed to capacity day in and night out. So—

They went to the OPA, these three little guys with their Swiss background, and they asked for approval of their prices scales, which, by the way, they had computed strictly in accordance with OPA regulations. The prices were about 50 percent higher than the prices they had charged at the old lunch counter, but, at that, they were much lower than many of the restaurants in the immediate vicinity.

They waited, and they waited some more, but they could get no answer out of the OPA.

They never got a flat refusal; they simply got no answer. Nobody would say "Yes" or "No."

If they had opened up without OPA approval of their prices, they would have been in violation of OPA regulations, so they had to continue to wait.

The restaurant was all ready to do business—spic and span, even the tables set with fresh napkins at the places, but the doors had to remain closed.

After some weeks, it was suggested to them that they hire a lawyer, which was a little frightening, because lawyers come high in the money terms to which they were accustomed, but they did hire one nevertheless—only to find that the OPA refused to deal with him because he himself had been a former OPA employee. So they paid off that lawyer and got another lawyer, who went to work on the case, but he couldn't get any satisfaction either.

January passed and so did February and so did March and so did April, and still the sparkling, beautiful new restaurant remained with its doors closed while the three little guys whose life dream it represented watched the interest charges pile up on the loan they had received from the bank without even a fighting chance of earning the money to pay off that interest.

Finally, the OPA told the new lawyer that what the three little Swiss would have to do was to open up at their old lunch-counter prices and operate for 90 days, and if at the end of that time they could prove that they were losing money, they could submit a request for a revised scale of prices, which the OPA would then consider.

That seemed pretty hard but they decided that they would try it on the bar, at least, which they did. At the end of 1 month they had lost \$1,900, and, on careful figuring, they worked out the fact that if they continued that for the remaining 2 months, it wouldn't make any difference whether the price increases were granted or not, because

all of their savings would be gone and they'd be out of business.

But the OPA insisted, adamantly, that because they had been in business before with their little hole-in-the-wall lunch counter, and had included the site of the old lunch counter in the new establishment, that so far as OPA was concerned it was still a lunch counter. I may add that the OPA regional administrator in San Francisco, Mr. Charles Balrd, reaffirmed that to me today, in just those words, and said that he thought that was a proper and very wise policy.

You remember that it was last December 15 on which the Saint Moritz Restaurant was finished and was ready to open its hospitable doors to customers. This is May 18, 5 months and 3 days later, and to this day the OPA has never approved any scale of prices for the three little Swiss guys who had tried to make a dream come true in a land where, reputation has it, dreams can come true if men will work for them.

The doors of the restaurant are still closed, and the lawyer still cannot get any satisfaction.

He continues at some length on this matter. He shows in the broadcast and in the one of the following week that up to this date the OPA has never approved any scale of prices for that new and expanded restaurant except to advise the owners to go on the old lunch-counter scale of prices in establishing their new prices, which they have tried, and themselves know to be a loss. Such administrative acts, multiplied thousands of times over the country, contribute to restlessness.

A short time ago, in connection with retail merchants, a new pricing policy was established. It is called Maximum Price Regulation 580, and it is a dandy. It is a 42-page document. I have a copy of it in my hand, which I can show to Senators. It consists of 42 pages of carefully and finely printed literature, giving tables and methods of calculation for pricing merchandise in retail stores—this, bear in mind, after a burdensome period of 2 or 3 years of other methods of pricing.

I have looked through Maximum Price Regulation 580, because I have received a great many letters from merchants all over my home State calling attention to it. They throw up their hands and say that they have neither the facilities, the knowledge, nor the education to go through this thing and reprice their merchandise, as it apparently demands. They cannot understand it. They cannot follow it; and yet they have been told that they cannot operate in business unless they comply fully.

I have an illustrative letter from a merchant in a substantial little county seat town in my State. I shall not read it in full, but it expresses a desperate hope that sometime, in some way, the minute regulation of OPA will be lifted so that a merchant, operating under the labor shortage with which he must now contend, can get a job done. I shall read one paragraph. The writer refers to the new regulation, and the additional difficulties which are heaped upon him. He says:

Let me cite you one concrete instance of what I mean, right here in Clarion. This man runs our leading furniture store. He has three boys in the armed service, one daughter in the WAVES, and a son-in-law

in the Army, too. This man has been retired, and until his oldest son was drafted he ran the store. At this time the father came back, unable to get help. He is trying to keep the store open for his son's return. The normal force in this store would be about two or three men and a bookkeeper. This man and one green girl run the store. How in the world can he comply with this latest brainstorm of OPA? That is only one of many such.

Mr. President, I have letters in my files from merchants in large towns, who have staffs of accountants and intricate bookkeeping systems as well as cost-accounting systems, for their particular purposes. They have told me that they cannot be at all certain, after spending weeks of effort and going through their stores with a staff of people, that they have come within gunshot of complying with this new 42-page regulation, Maximum Price Regulation 580. Those matters distress the people.

Another one stuck up its head a few days ago. I cannot say just when this one went into effect, but the OPA now has made a requirement and has established a regulation—which of course carries with it a Federal penalty if it is violated—compelling every undertaker, as a part of his duty, to be responsible for the collection of the ration stamps of the deceased, before the undertaker has completed his job and his duty. The OPA furnishes voluminous instructions and cards which the undertakers must send to this one, and cards which the relatives must send to that one, and acknowledgment cards which the undertaker must send back. The OPA is going to require the undertakers to get back the ration stamps from the deceased even if they have to go to the gates of Heaven and talk to St. Peter and ask him for them. That proceeding, that minutiae and extreme detail which have crept into our economy under the guise of war necessity, is what disturbs the American people.

Today a reconversion period confronts us. I think that all of us, regardless of our attitude on particular pieces of legislation, realize that a period of reconversion is on us now, and all of us are hoping and working in our own way to make that period one of expanding economy, great employment, and the highest possible income for all classes of people in our country—a period of encouragement and hope for the future. That is what we wish to have. I will admit that we may disagree about the methods of achieving it. Perhaps I am not correct in my attitude; perhaps I am only partially correct. I do not know, but I merely have to say it as I see it.

Today, because of the cut-backs, reconversion is now upon us. Countless factories and countless industries are suffering either partial or complete cut-backs from war production to the production of peace. I do not know what policy will be placed in effect by the OPA. I do know what a number of businessmen of my State think the policy will be and what they have understood the policy will be, as a result of their talks with persons in the lower strata of OPA—persons who apparently have considerable authority. The ones to whom I have

talked, those who tell me that what they say reflects the general sentiment of the meetings they have had in our State in connection with this matter, say they are now convinced that unless the OPA changes its attitude, as announced by the subordinates who have stated the intention, the OPA is planning to hold American enterprise and American business to a roll back to 1941 price levels, in some cases, and in other cases to the 1942 price levels. The persons to whom I have talked and those who have written to me say, "We will be out of business if that is going to be the policy and if it is legitimately adhered to. We will be out of business and we will not be able to reemploy or expand our plants or our businesses. We are discouraged. We do not think there is any promise or hope for the future under that kind of a policy. Under such a policy, we do not think there will be the hope and the opportunity which we must have in this country in the days after the shooting stops, or, in fact, right now."

Let me tell you, Mr. President, how tenaciously and rigidly the administrators in the field generally cling to this price policy. There is in my State a company which manufactures pulleys. I know that what I am about to relate is substantially true. Last year and the year before that company lost \$18,000 each year on the pulleys it made. The manufacturing of pulleys is a substantial portion of its business, although it makes some other articles. It made a little extra on some of the other products it manufactured, so over all it made just a little money—perhaps 1 percent or 1½ percent on its whole operations. It happened that it sold the pulleys, and had done so for years, to one jobber in the East. It sold only to that jobber. But it sold on a price level maintained by the OPA, and it has been losing \$18,000 a year for 2 years. The jobber in the East happened to have such a favorable price policy that he could raise his price to the manufacturer just a little, to help him take up a part of that loss, but he would not have to raise his price to the public. So in that case the jobber, who was taking the manufacturer's product, was willing and anxious to raise the price he paid the manufacturer, in order to help the manufacturer absorb a part of his loss. The jobber joined in the application, and agreed that he would not raise the price of that pulley to the public. They made application to the OPA. Months went by. Repeated trips were made from the town where the pulleys were manufactured to Chicago, and the company received many requests for additional figures, some of them for operations of many years past. But there was repeated failure of action. They encountered nothing else.

One morning about 10 days ago a representative of that company came to my office. I did not know what he wanted to see me about. He told me his story. I then telephoned the OPA office and talked to Mr. Brownlee, the Deputy Administrator for Price, in the Office of Price Administration. I told him the story. He said to me over the telephone, "If that man can substantiate that story, he should have some relief."

I said, "I do not know anything about it except his own statement, but he can bring his figures to you."

It is my information that in about 30 minutes' time, after going through that record, with a substantiation of the man's story, he received the requested relief. But months before, in the field operation and in the district operation, they had been stymied and stymied and stymied.

I will say that in that case the administrative officials at the top of OPA, who saw the justice of the claim and who realized that it would not affect the price to the public, acted very quickly. But that occurred only after the passage of several months, with repeated trips and repeated accounting statements, and finally a trip to Washington, in desperation. Finally, after that man went to the office of the OPA in Washington, he was able to secure relief very quickly, because Mr. Brownlee, whom I believe tries to be very fair, saw the justice of the request. I certainly have no complaint about Mr. Brownlee's basic attitude of fairness, although I may sometimes disagree with his enforcement philosophy. Mr. Brownlee said to me that that man had a perfectly justifiable case. He obtained his relief in just a few minutes, and I think the relief granted was perfectly sound and proper.

But such things make people restless; and whereas one person can come to Washington and can obtain a hearing, there are throughout the country thousands who do not know where to go and do not know what to do. They go no further than their district OPA representative. There they are told what they can do. They are turned down; and, in discouragement, they quit.

Those are the policies which are followed in the OPA. Such policies discourage the public. I think they should be corrected. They can be corrected administratively, of course.

I refer to the statement which was made a while ago that Congress has made several attempts to write into the law protective features which Congress intended should be put into effect in connection with the American economy. I believe it is essential that the Thomas amendment, as well as the Taft amendment, be made a part of the law as a protection to every American, and as a guaranty that the power of government, under the guise of war emergency, shall not be exercised against a citizen in order to compel him to do business in our free economy at a loss.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. McMAHON. I wish to propound to the Senator from Iowa a question which has occurred to me at various times during the debate.

I presume that the Senator has noted that the leaders of organized labor have been calling at the White House and suggesting that the Little Steel formula be revised upward. Does the Senator believe that the adoption of the Thomas amendment and the Taft amendment would retard the effect of or eliminate the wage-control policy embodied in the Little Steel formula?

Mr. HICKENLOOPER. I see no reason why the adoption of either or both of the amendments should eliminate adequate, proper, and economic control of wages.

With regard to the Little Steel formula, we are confronted with this fact: The Little Steel formula is an arbitrary formula, and not necessarily an economic formula. In other words, so far as wages are concerned, we use a different yardstick. We consider what income a man needs in order to live properly. I say that the Little Steel formula is an arbitrary formula and not necessarily an economic formula. I think an economic formula is one in which wages adapt themselves to the factor of costs.

Mr. McMAHON. The Senator has not yet answered my question. In the Senator's opinion, if the Senator should adopt the amendments to which I have referred, does he believe that it would be possible to hold the Little Steel formula? I am not asking him whether the formula is a good or bad one, but I am asking him whether it would be possible to hold it. I should like to have the Senator's opinion on that point. I will judge for myself whether I think it is well for the Little Steel formula to be maintained or scrapped.

Mr. HICKENLOOPER. We have repeatedly broken the Little Steel formula. It has not been held. In my judgment it is not necessary, under the present program, for the cost of living to increase to any appreciable extent.

Mr. McMAHON. What does the Senator mean by "any appreciable extent"?

Mr. HICKENLOOPER. Perhaps 1 percent, or one-half of 1 percent. It has been announced by the Bureau of Labor Statistics, or by Mr. Bowles, that the cost of living has risen only approximately 2 percent in the past 2 years, while wages have increased from 8 to 10 percent.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. TAFT. Am I to understand that by the Little Steel formula the Senator refers to an increase over the wage rates as of January 1, 1941? Perhaps the Senator from Oregon [Mr. MORSE] can answer the question.

Mr. MORSE. I think the period is from January 1, 1941, to May 1, 1942.

Mr. TAFT. In other words, there was a 15-percent increase in the cost of living, and the rule was that wages could not rise more than 15 percent. According to an authority which I hold in my hand, the increase from January 1, 1941, to the present day has been from 100 to 137½. In other words, in spite of the Little Steel formula, wages during that period have actually increased by 37½ percent. Within the past 2 years wages have increased 10 percent, while prices and the cost of living have increased only 1½ percent. So the fact that the cost of living might rise 5 percent more is no justification for a break in the Little Steel formula. However, whether a break would take place or not, I do not know. I think it would. I think the formula was broken yesterday in President Truman's approval of a 25-percent increase in the salaries of Members of the House of Representatives.

Mr. McMAHON. The Senator has answered the question which I propounded. In his opinion, if the Senate adopts the Thomas and the Taft amendments, and they result in raising the cost of living, we shall still be able to withstand further demands on the part of labor that the Little Steel formula, with its revisions, be scrapped.

Mr. TAFT. I think the Senator will find that beginning with 1945 the average increase in the wages of labor will be 5 percent in spite of the Little Steel formula. I think it will be that much if we do not raise the cost of living a fraction of 1 percent. I think the strength of labor is such, and the maladjustments and injustices in some places are such, that in some places we cannot help but increase the average wage rates approximately 5 percent.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. THOMAS of Oklahoma. I think the record should be kept straight. We have been operating since 1926 on the 1926 basis, because in that year the administration set a price level of 100. That basis was established in accordance with the average prices of 1926. Since then we have used that year as a base. On the 2d day of June, only 6 days ago, the price level stood at 106, or only 6 percent above what it was, on the average, during 1926. The amount of money now in circulation is approximately \$27,000,000,000, whereas in 1926 it was only \$4,000,000,000 or \$5,000,000,000. We now have approximately \$100,000,000,000 of credit, while in 1926 we had only \$40,000,000,000 or \$50,000,000,000. Notwithstanding those facts, the price level 6 days ago was only at 106.

The question has been raised whether, if the two amendments to which reference has been made are adopted they will result in an increase in the cost of living. I cannot speak for the amendment of the Senator from Ohio [Mr. TAFT], because I am not familiar with it. However, I can speak for the amendment now pending. The administration is operating under a subsidy system. If it should be found that the processors of any commodity should receive a somewhat higher price in order to enable them to continue in business, the situation will be taken care of by a subsidy. There is no attempt under this amendment to raise the price of meat to the consumer, or the price of bread or any other food product, because they are all farm products. The administration is operating on a subsidy system. If it were necessary to give any processor a small sum of money in order to prevent him from going into bankruptcy, he would receive a subsidy.

The OPA has made three attempts to widen the subsidy spread, and now slaughterers are operating on a satisfactory rate, or at least so I have been advised. If the pending amendment is agreed to, and if the OPA is convinced that any particular processor should receive a wider spread, or a little more money with which to operate his plant and maintain it in operation, the situa-

tion will be taken care of by a subsidy. The members of the CIO, the AFL, or any other organization of labor, would not be required to pay any more for their meat or bread, or any other food product, than they are paying at the present time.

That is an explanation of the amendment as I understand it.

Mr. HICKENLOOPER. Mr. President, I should like to conclude the few remaining remarks I have to make, but I wish to give another illustration of the administration and the policies of OPA which drive people to distraction, at least those out in the farming section of the country, where the people do not understand all the ramifications of high priced economists.

I have a letter I desire to read. I have requested a full report on this case from OPA. They have had it since May 25, and I have not yet received a report. I asked for the original letter from OPA today because I wanted to put it into the Record, but I am very anxious to ascertain just what their explanation of it is.

Mr. President, there are two or three popcorn centers in Iowa, where great quantities of popcorn are raised. The farmers will make a contract with some popcorn processor, in advance of planting, at a certain price per bushel, and they will plant their acreage. I have received several letters on this subject. The farmers have had a mass meeting, which ended in a near riot, in the county seat town of Sidney, a short time ago. I read from the letter as follows:

I write to call to your attention, a matter of very vital importance to the farmers of southwest Iowa.

About 500 farmers here engaged in raising popcorn. In the spring of 1944 they contracted to raise the popcorn for \$3.68 per hundredweight in the ear and, or, in lieu of that at \$6 per hundredweight shelled corn basis.

Not being entirely dumb the farmers all figured out that the profit at the \$6 per hundredweight price would make them much more money. Now, many of them found it to be impossible to get shellers to come to their own cribs. The processors agreed to get the corn, shell it and after deducting 5 cents per bushel for shelling and the weight of the cobs, would pay them the shelled corn price. Many of them did it that way.

In order to follow this I should say that the price of corn on the cob to the farmers was \$3.65. If the corn were shelled, the price was \$6. The processor shelled the corn for the farmer and charged the farmer 5 cents a bushel for shelling it, weighed the cobs, and took the weight out of the total weight, and paid the farmer at the rate of \$6 a hundredweight. The letter continues:

Toward Christmas the OPA, discovering they had left a loophole wherein the farmers were making more money than they had intended, sent out a ruling that "the corn must be shelled at the farmer's crib," or in lieu of that, it "must be hauled to the sheller, then returned to the farm, scooped into the farmer's bin, rescooped into the truck, and after that the processor can take the corn."

Well, now about 50 farmers have been summoned before the OPA regional court in Omaha, found guilty before appearing, fined from \$15 to \$50, and held to pay a return overpayment to the Government to \$1.12 per hundredweight.

The farmers had a hot meeting here in the Legion Hall last night, and organized what they chose to call The 500 Organized Farmers Popcorn Growers Association, which has as its purpose protection against injustice by the OPA. I think they mailed you a letter and also to George Wilson and Ben Jensen, and to Chester Bowles, and possibly to President Truman.

I felt it would be well enough to mail you an explanation of just what the "offense" is. I thought you would desire it to help make up your mind to support the renewal of the life of this brilliant group when it comes up in June. It seemed to be the idea of the groups that if they cannot get relief from this infamous order not one bond will be purchased by the group.

Of course, I do not approve that particular philosophy, but think of the situation—and I have received other letters verifying this. The farmers have been having near riots about it. When they planted their corn they had a right to contract for it at \$3.65 a bushel in the ear or \$6 shelled. Now, because the processor used his trucks in some instances and came to get the corn, and shelled it, and then paid the shelled price, less the 5 cents a bushel for shelling, these farmers have been haled to Omaha or Council Bluffs and fined in what I think is as clear an example of ex post facto infliction of pseudo law enforcement as I ever heard of. It is the most foolish thing in some ways, and silly in others, and most idiotic for a citizen's own government to use in connection with people whose government many of us at least still believe it is. This popcorn story is another one that causes restlessness with the OPA.

I shall read a typical telegram from the Ottumwa (Iowa) Chamber of Commerce. I have many like communications. I am merely picking out some typical ones. This telegram reads:

The Chamber of Commerce of Ottumwa, Iowa, strongly urges that the extension of OPA authority be limited to 90 days, so that industry, including hard and square-foot goods manufacturers can have the opportunity to present facts to the Senate Banking and Currency Committee showing that present policies of this agency in issuing directives is eliminating and destroying free enterprise and curtailing and eliminating the production of essential civilian goods, such as men's, boys', women's, and children's clothing and accessories. We particularly refer to regulation 108 map and similar regulations recently issued by OPA. Letter follows.

That is signed by the president of the Ottumwa Chamber of Commerce. I have letters from cloth manufacturing concerns, I have letters from hardware people, letters from jobbers of stoves, and electric ice boxes, and others.

I shall not burden the Senate further with these details, but the economy of this country today is becoming fearful because a bureaucratic administrative group has without doubt gone far afield, away beyond the intention of Congress which gave it life, it is disregarding the three separate attempts of Congress to curtail it, and is fighting every movement taken to prevent any restriction upon its unbridled authority to work its own peculiar and hard-to-understand brand of economics upon what I hope is a free

American system, and all under the guise of the war effort.

Mr. President, I repeat what the junior Senator from Oklahoma [Mr. Moore] pointed out in his very able speech a few days ago. I may say that he goes further than I do. I feel that it is not advisable at this moment to cut off the operation of OPA, because it has become, in this emergency, a substantial part of our effort, and I think we should taper it off gradually.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MOORE. I realize that I have gone further than the Senator from Iowa would go, and I realize that I have gone further than most Senators would go; but after listening to the Senator's very able presentation here this afternoon of the maladministration of the law, after hearing the able senior Senator from Oklahoma [Mr. Thomas] say repeatedly on this floor that the OPA had repeatedly refused to carry out the intent of the law passed by Congress, what else can we expect now by way of any improvement in the management? If the things which have occurred will continue to occur, as the able Senator from Iowa indicates, why continue it longer? If discontinuing it would result in some inflation, as everyone thinks it may, will that be worse than the inflation that is being produced by the black market which predominates in this country today?

Mr. HICKENLOOPER. So far as concerns the policies which at least business in this country, as far as my observation goes, believe to be the policies of OPA, they are discouraging to the point that we will have a great deflation in the activities of business in this country under those policies, which will be more damaging than any inflation could be, but I believe in keeping level, if we can, by control.

Let me suggest that every act of OPA, whether it concerns the popcorn growers who are haled into Council Bluffs and fined for what I believe to be the carrying out of a contract which was good when made—every act of administration of the OPA is the result of the act of Congress and is the responsibility of Congress. I do not believe I will blame OPA for so much of what it is doing if Congress continues to permit OPA to do it. We have heard much of the fact that Congress has become supine, that we have submitted to a growing, strangling bureaucracy in this country. But the powers are ours. We create these agencies. We can control them if we have the courage and understanding to do it. Therefore whatever OPA does can be laid directly in the lap of Congress, because we have the power to control OPA. We set up that agency. We gave it life. OPA exists so long as we permit it to exist, and whatever its actions, they are the actions of our own creature.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. FULBRIGHT. I did not understand the answer which the Senator from Iowa made to the Senator from Oklahoma [Mr. Moore]. Is the Senator from

Iowa in favor of abolishing the OPA straight out?

Mr. HICKENLOOPER. No, Mr. President. I said to the Senator from Oklahoma that I do not go as far as he goes. I believe he thinks OPA ought to be abolished. I do not think it ought to be abolished at this time.

Mr. FULBRIGHT. Is it not a fact that the Senator from Oklahoma is a little franker about the matter, and that he thinks that either of these amendments would so mutilate the administration of OPA that it would amount to an abolition of it?

Mr. HICKENLOOPER. I cannot agree with the Senator from Arkansas. I think the two amendments can be administered more easily and with better controls than the system OPA is using now.

Mr. FULBRIGHT. I was curious to know how the Senator thinks OPA is going to determine the costs of all the various articles involved—

Mr. HICKENLOOPER. They do not have to.

Mr. FULBRIGHT. Why do they not have to?

Mr. HICKENLOOPER. The provision does not say that they have to determine the cost. It says they shall not enforce against any processor a price which is lower than his cost plus a margin in the base period.

Mr. FULBRIGHT. How is OPA going to determine the price if it does not know the cost?

Mr. HICKENLOOPER. How did OPA determine the prices it fixed on all the minute things on which it has now fixed prices?

Mr. FULBRIGHT. OPA does not fix the prices individually. OPA fixes the prices respecting the whole industry.

Mr. HICKENLOOPER. OPA fixes industry-wide prices, but fixes them on the individual details of manufacture. OPA fixes prices on such things as little screws and articles all the way to big steam engines—on the whole industry.

Mr. FULBRIGHT. It fixes the average cost on the whole industry, does it not?

Mr. HICKENLOOPER. Yes; but OPA makes provision now for adjustment in individual cases.

Mr. FULBRIGHT. If a man brings in his own figures and proves to OPA that the price it sets is below cost, which is a perfectly proper thing—

Mr. HICKENLOOPER. In the overwhelming number of instances reported to me the operation is a magnificent success, but meanwhile the patient dies.

Mr. FULBRIGHT. Is that not probably because the patient cannot determine his own costs sometimes? Is not that what is the matter?

Mr. HICKENLOOPER. I think not. I will give the Senator an illustration from the meat business. There is a standard form approved, I believe, by the Bureau of the Budget for inquiry respecting the costs. OPA would not use those forms. OPA insisted on figuring out its own forms. The Bureau of the Budget would not let OPA print the forms. There was no authorization for such a form. So finally the American Meat Institute

in trying to help OPA, printed up those forms and those forms were the ones OPA sent out. I do not believe there was a packing plant in the United States which had its books set up in the breakdown manner that OPA figured out down there in the bowels of the organization some place. It took a long time and much accounting work and much change in methods on the part of many of the companies to furnish the information desired.

Mr. FULBRIGHT. Does it not seem clear that those in the meat business and the meat packers seem to be the ones who are in such great difficulty? Is that not something which is peculiar to that industry?

Mr. HICKENLOOPER. No. I said that was something which was spectacular.

Mr. FULBRIGHT. The Senator spoke of the meat industry because it is the biggest industry in Iowa, I presume.

Mr. HICKENLOOPER. No.

Mr. FULBRIGHT. More constituents of the Senator's engage in growing meat than anything else? Is that correct?

Mr. HICKENLOOPER. No.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MORSE. May I comment on the remarks of the Senator from Arkansas, because I am interested in his remarks that the Thomas amendment would have the effect of destroying the program of OPA. The same argument has been made by other Senators this afternoon. We have a "Wolf! Wolf!" sheet, propaganda sheet, put out by OPA today and placed in the Record, I believe. Every time we seek to bring a little law and order, and fair dealing into the procedures and policies of the OPA we are charged with trying to defeat the objectives of OPA. Thus we are treated today to OPA's latest propaganda sheet, claiming that the Thomas amendment will destroy price control. Now, Mr. President, the objectives of OPA as legislated by the Congress are nonpartisan. Unfortunately I am afraid the administration of OPA has become very partisan.

I do not think that one attempt to keep the small processors and slaughterhouse plants in business will increase the cost of living, as alleged by Mr. Bowles. I may say to the Senator from Arkansas that Mr. Bowles yesterday, in a letter to the Senator from Oklahoma [Mr. Thomas], said this:

Recognizing the critical shortage of meat and the imperative need of avoiding any impediment to maximum production, and even distribution, this Office, in addition to satisfying all the various mandatory requirements of the present law, will see that the products of each of the three main groups of livestock—cattle and calves, hogs, and lambs and sheep—are each, separately considered, on a profitable basis.

To the fullest practicable extent, the Office will see that each of these groups of products is separately profitable at all times, regardless of live-animal prices. It will at all events see that each group is separately profitable on an annual basis.

Mr. President, I think the OPA ought to try to reconcile the Bowles letter of yesterday with the Bowles pressure sheet

of today. They are irreconcilable, since under the Thomas amendment the OPA will be required to do what Mr. Bowles promises in his letter he will do. However, in his letter of yesterday Bowles was very careful—he is always very careful to use that type of language which permits him to do just as he pleases. Thus, he uses the "sleeper clause," "to the extent practicable." In other words, when it serves the discretion of the OPA to see to it that the investigations are made so that these slaughterhouses can operate on a profitable basis as to these three categories of livestock, he will do it; but when it does not serve his purpose, then he can take refuge in language of his letter, which permits him not to do it.

I want to say to the Senator from Arkansas that I view it as very important to our food-production program that these slaughterhouses be kept in business so that they can take care of the meat supply of this country and put more meat on the tables of American workers and on the tables of peoples in other parts of the world who are going to need it under our international program. I do not agree that the Thomas amendment is going to destroy OPA. Rather, it is going to help OPA, if OPA will carry it out in accordance with the spirit and intent which Mr. Bowles professes in his letter of yesterday. Personally, I would like to see the Thomas amendment modified so as to protect the public from inefficient operations of packing houses and from profits by packers beyond a reasonable amount. Possibly it would be wise to require the processors and packers to get a ruling from the Director of Economic Stabilization in case OPA, under the policy of the Thomas amendment, finds that the price required to keep a particular packer in business at a profit would be destabilizing. I would vote for some such modification; but unless the OPA is willing to accept some legal requirement setting forth in the law itself the promises of Mr. Bowles in his letter of yesterday free of an escape clause, I shall vote for the Thomas amendment. We must stop OPA from ruining the small processor and packer and discouraging the production of larger quantities of meat.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. FULBRIGHT. The practicability of the administration is the point that is in issue. Under this provision, if each processor could challenge any price applied to him on the basis that it did not reflect his individual cost plus a profit—

Mr. HICKENLOOPER. He can do it under the present law.

Mr. MORSE. And he will do it under the proposed law.

Mr. FULBRIGHT. I do not see that the requirement under the present law would give him the same right. If that is true why do Senators want the amendment? What does it add, if it adds nothing to the law.

Mr. HICKENLOOPER. In order to give the American economy and the American businessman some protection

of law, and have the Nation run by law and not run the Nation administratively.

Mr. FULBRIGHT. The Senator says he can do it under the present law without the adoption of the amendment. Why do Senators want the amendment if the businessman can do it now without the amendment?

Mr. HICKENLOOPER. Because he is subject now to interminable delays, and if he is wrong he goes to jail. The OPA has, through the emergency court succeeded in obtaining approval of the industry-wide yardstick. It has succeeded in having the court rule that costs are undoubtedly limited to out-of-pocket costs of labor and material, and do not take into effect the administrative expense, the selling expense, the expense of advertising, and all the other things that have been accepted as costs in American industry for years. They have excluded those things. So in many instances there might be a profit, according to the OPA, but a loss so far as the bank account of the individual is concerned.

Mr. FULBRIGHT. The Senator saw the figures, not taken from the OPA, but from the Bureau of Internal Revenue, with regard to profits of corporations. The Senator saw how much greater they were last year than they have ever been. It is most peculiar that that fact has not been considered. The corporations continually show greater profits than at any other time in history.

Mr. HICKENLOOPER. Then there should be absolutely no objection to this amendment.

Mr. FULBRIGHT. Except that it is administratively impossible. As the Senator from Oregon says, practically it cannot be administered.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. TAFT. I wish to reinforce what the Senator from Oregon has said. Last March Chester Bowles appeared before our committee and said that it was impossible to separate the processing of beef, pork, and lamb. He said it could not be done. Then yesterday, or the day before, he appeared before the Committee on Banking and Currency with this letter, in which he said he was proposing to do it. I asked him, "Mr. Bowles, you yourself told us that this could not possibly be done; and now, under pressure, you find it can be done. Is not the same thing true of all the other major industries of the United States?" There was no answer to that question.

Mr. HICKENLOOPER. Mr. President, let me say one thing further about the administration of the law, touching a little on the point raised by the Senator from Arkansas. He asks, "Why is it necessary to write such a provision into the law?" Let me tell the Senate why it is desirable to have it written into the law. It is desirable to have it written into the law so that one can get the book down and read it, so that we will not have to depend upon the whim of some administrator. What he thinks today and writes down today becomes the law. Then when he changes his mind

tonight, what he writes down in secret tomorrow also becomes the law, even though it is at variance with his finding of today.

Let me illustrate. In the hearings before the Committee on Banking and Currency one of the witnesses was a very interesting young merchant from Richmond, Va., who gave us some very pertinent facts. I shall not quote all his testimony, but he told us of the desperate situation in which he found himself, trying to operate a business under these rules and regulations—and sometimes the lack of them—and inability to get any rules or regulations. The prize part of his testimony was this:

And may I read you an example of some of the confusion of instructions we received from OPA? The other day I called and asked them if they would send me a certain regulation I understood existed but I had never heard of it or seen it; so I received the regulation the next morning. It had a little slip. This is one just like the slip that was attached to the regulation, and it read:

"Warning. This is the latest available version of the regulation in which you may be interested. However, the text may not be a current version as currently amended."

The man threw up his hands and said, "What is the regulation? I am sent a regulation, but I am warned on the face of it that it probably is not the regulation which is applicable, although it is supposed to be."

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. WHERRY. A moment ago the Senator made the statement that this situation was the responsibility of Congress. He stated that the administration of the act, and the directives which have been issued, were the responsibility of Congress, and that we should do something about it.

The general public feels that we are responsible. The directives which are issued from administrative offices are interpreted by the public generally as being approved by legislative acts of Congress. I have been confronted with that attitude many times in the past few days. Those who feed cattle do not understand the price levels.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. WHERRY. I do not have the floor. The Senator will have to ask the Senator who has the floor to yield to him.

Those who establish price levels on commodities which are not in keeping with the provisions of the original Stabilization Act, and in defiance of Congress, have gone out of their way in certain instances to attempt to show that the Congress is responsible for these things, that we are the ones who are creating these directives, and that we are responsible for them.

Section 3 of the original Price Stabilization Act provides that there shall be no price level which is lower than the highest price which agricultural commodities brought between April and October of 1942; yet when the floor on hogs was broken in 1943, it was Congress that was blamed for not stepping in and seeing that farmers were given the prices which they were guaranteed.

Let me point out to the distinguished Senator from Iowa that it is not necessary for us to speculate as to whether the public feels that we are responsible because we created the act in the first place, and made it possible for these bureaus to grow up. The people generally hold Congress responsible for the administration of these acts.

I have received a letter which I should like to read. It has to do with the incident referred to by the Senator from Iowa, relating to the five head of cattle. This letter speaks of eight head of cattle. This incident happened 30 miles from Omaha. This is a report from a newspaper reporter who made a personal investigation.

Mr. HICKENLOOPER. The incident which I reported happened at De Kalb, Ill.

Mr. WHERRY. Then this is another one. This incident happened within 30 miles of Omaha.

I should like to read this letter into the RECORD to show how the people feel about what the Congress does with respect to OPA:

OMAHA, NEBR., June 5, 1945.

DEAR KENNETH: As you think OPA is so wonderful and necessary am sending you a couple of clippings, and especially the one regarding the cows killed and sent to a rendering plant, and after your OPA has caused such shortages by throwing all the meat into the black market. You can't deny (or can you?) that there is a black market and a big one. I dare you to read these two into the RECORD or to the Senate, and why not mention that no place in the Bible can you find the Lord's approval of food wastage in order to make an excuse for rationing.

Did it ever occur to you that the Lord may get so mad that He would make a real shortage as a good lesson to a bunch of dictators? Sincerely,

L. D. MUNSINGER.

P. S.—I've known you ever since a kid and never thought you could be hoodwinked into anything and so am surprised and put out.

L. D. M.

I ask unanimous consent to have printed in the RECORD the two clippings inclosed with the letter which I have just read.

There being no objection, the clippings were ordered to be printed in the RECORD, as follows:

CATTLE TRUCKING RECORD SET HERE

The Omaha stockyards Monday established a new record for the number of cattle brought to market by truck and had a run of cattle that constituted the second largest June day on record.

A total of 18,000 head of cattle were received, of which 15,204 head came by truck.

Despite the record, handlers said there was no congestion at the unloading chutes. The influx was fairly well distributed over Sunday and Sunday night, enabling unloading to keep pace with receipts.

Of the cattle received, an estimated 75 percent was in fat steers. By contrast, the June 25, 1934, record of 18,760 cattle was a drought-engendered one.

The receipts of 18,000 head compares with 10,600 a year ago today, and 11,000 a week ago. Omaha was second among the Nation's markets Monday in cattle receipts, being topped by Chicago.

MEN FEAR OPA, SO BEEF LOST—EIGHT CATTLE HIT BY TRAIN, NO MEAT SALVAGED AS RULES BALK IOWANS

Due to a small-town butcher's and a farmer's fear of the OPA, some 5,000 pounds of

fresh beef last week wound up in a rendering plant at Minden, Iowa.

Some residents of Neola, Persia, Minden and other towns in the area, about 30 miles northeast of Omaha, were irked about it Saturday, having heard that the OPA wouldn't allow the beef to be salvaged without surrendering red points, and so on. But as near as World-Herald reporters could determine, no one ever asked the Omaha OPA office what, if anything, could be done about it.

And Omaha district OPA officials Saturday night declared that if they had heard about it, they would have gone down the line and found some way to get that beef in the Omaha market, which is almost beefless.

BUTCHER CONSULTED

How much of the beef would have been edible was a matter of some dispute. Here is what happened:

Last Wednesday a herd of 10 cattle broke through a fence on the Dean Hawes farm 1 mile north of Persia, and wandered onto the main line Milwaukee Railroad tracks. A Red Cross hospital train plowed into the herd. Six of the cattle were killed, two were injured, and two escaped unscathed.

Of the two injured, one had only a broken leg.

The train crew dropped a note in Persia, and Section Foreman Bob Hilton went to the scene. He summoned the farmer-owner of the cattle, two of them milk cows and the rest stock heifers.

The farmer and a representative of the railroad decided that some beef could be salvaged if a butcher came and bled the cattle properly and promptly.

Mr. Hawes drove to Minden and consulted the butcher at the E. J. Peeper Market.

QUOTA USED UP

The butcher told him that his quota of slaughtering was used up, and without OPA approval he wouldn't dare do any butchering. Mention of OPA also made Mr. Hawes apprehensive.

The upshot was that the Minden Rendering Works was called to get all eight of the cattle. The rendering works employees shot the cattle still living.

"It's a shame," said John Tischler, OPA district ration executive. "If we had heard anything about it we would have found some way to legalize slaughter and sale of that meat. As for red points, if word has been passed out in Omaha, half the restaurant men in town would have driven out in their own cars to get a chance to buy it, and pay points."

MEAT SPOILS

Mr. Tischler said he didn't think the train's hitting the cattle would have made all of them unfit for slaughter.

"I understand they hit them over the head at the packing house and knock them out cold before they slit their throats," he said.

In ordinary times, a farmer would contact the nearest butcher or abattoir and have the meat processed as soon as possible. However, because of the delay in trying to figure out the OPA angles, and the warm day, Mr. Hawes said the meat rapidly passed the stage where it would have been fit for consumption.

Mr. WHERRY. Evidently this man feels that I am one of those who have approved the issuance of all these directives. At the last count, since 1933 there have been 76,000 directives as a part of the regulation from Washington.

Mr. HICKENLOOPER. The Senator voted last year for a continuance of the OPA, did he not?

Mr. WHERRY. Yes.

Mr. HICKENLOOPER. Does not that fix the responsibility upon the Senator for the acts of the OPA? Did not the Congress create the OPA?

Mr. WHERRY. Congress created the OPA; but Congress itself is not responsible for directives which are in direct contradiction of all the trade practices and the economy which has been developed in this country. Whenever those directives are in direct contradiction, it is my opinion that they are contrary to the Stabilization Act. But if we do nothing about it, then I agree with the Senator from Iowa that the responsibility is ours. In my judgment it is time for Congress to assume that responsibility, whether it feels that it has the responsibility or not, because the public generally holds us accountable for every one of these directives.

Mr. HICKENLOOPER. If, knowing these things, we do nothing about it when we have the opportunity, we are responsible as a group.

Mr. WHERRY. That is correct.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. If I correctly recall the results of the election in Nebraska last year, I do not believe that anyone would hold the Senator from Nebraska responsible for anything done by this administration, whether it be by the OPA or any other agency.

Mr. WHERRY. What does the election in Nebraska last year have to do with me?

Mr. FULBRIGHT. The Senator represents the people of Nebraska.

Mr. WHERRY. I was elected in 1942.

Mr. FULBRIGHT. But I take it that the people of Nebraska are still of the same view.

Mr. WHERRY. I do not know. What I am saying to the Senator from Iowa is that the Congress of the United States is being held responsible for the administrative acts of the OPA, and the directives issued by the OPA relative to price regulation. We are being held responsible. I think the Senator from Iowa, instead of just feeling that we should assume that, should know that at least I feel that the people with whom I come in contact are holding Congress responsible; and if we do not do something about it, it will be our responsibility, not the OPA's.

Mr. FULBRIGHT. Following that thought a little further, I would judge from the election of last fall that they approve of the OPA.

Mr. WHERRY. Does the Senator mean that the people of Nebraska or the people of the United States as a whole approve of the OPA?

Mr. FULBRIGHT. No; I do not mean that the people of Nebraska approve of the OPA. I excepted Nebraska; I do not think the Senator is in any trouble with the people of Nebraska who voted for him.

Mr. WHERRY. I thank the Senator. I hope I am in no trouble either with the people of Nebraska or the people of any other place; and I wish to stay out of trouble, because I do not wish to be responsible for a directive which I think goes beyond the act itself.

I thank the Senator very much for yielding to me.

Mr. TAFT rose.

Mr. HICKENLOOPER. I yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I enter a motion to have the Senate reconsider the votes by which the committee amendments to the joint resolution were adopted, and I ask that the motion to reconsider lie on the table. I may not call up the motion to reconsider; but inasmuch as this is the last opportunity I shall have to file the motion, I do so now.

Mr. HICKENLOOPER. Mr. President, at this time I yield the floor.

Mr. TAFT. Mr. President, I also send to the desk an amendment to the pending measure, and I ask that it be printed and lie on the table. It is a revision of the amendment I formerly offered.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Mr. BARKLEY. Mr. President, it is obvious that the Senate cannot conclude action on the joint resolution today. It is not desired to have a session tomorrow. But it is desirable, if possible, to obtain a unanimous-consent agreement for a limitation of debate beginning on Monday.

I wish to say in a preliminary way that the Senator from Ohio [Mr. BURTON] gave notice a day or two ago that he would request recognition when the Senate reconvenes on Monday. He has agreed to postpone that until Tuesday.

Therefore, I ask unanimous consent that beginning with the session on Monday, no Senator shall speak more than once or longer than 20 minutes on the joint resolution or any motion or amendment relating thereto.

Mr. MORSE. Mr. President, reserving the right to object, I ask the Senator whether it will be possible for me to be allowed not more than 5 minutes before the Senate adjourns or recesses this afternoon, so that I may make a few comments which I should like to place in the RECORD.

Mr. BARKLEY. I have no objection to that. I am endeavoring to obtain a unanimous-consent agreement relative to the procedure on Monday and during the further consideration of the pending joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none.

Mr. WILEY. Mr. President, will the Senator restate the unanimous-consent request?

Mr. BARKLEY. I ask unanimous consent that beginning with the session on Monday, at the beginning of that session and during the further consideration of the pending joint resolution, no Senator shall speak more than once or longer than 20 minutes on the joint resolution or on any motion or amendment thereto.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I understand the unanimous-consent agreement would mean that any Senator might speak for 40 minutes on both the joint resolution and the amendments.

Mr. BARKLEY. Yes; 40 minutes in all.

I will say that if for any reason action on the joint resolution is not completed on Monday, although I hope it will be, the Senator from Ohio [Mr. BURTON] desires to make on Tuesday the address which he had intended to make on Monday. I would ask that the limitation not apply to him on Tuesday, when he delivers his speech, if the Senate has not completed action on the joint resolution by that time.

Mr. WHITE. Mr. President, I concur in the unanimous-consent request of the majority leader, because, as he has said, the Senator from Ohio [Mr. BURTON] did give notice of his desire to speak on Monday. That request was noticed by all, and I think it highly appropriate that he should have that opportunity to speak on Tuesday.

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request propounded by the Senator from Kentucky. Is there objection? The Chair hears none. Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATION FOR CHILDREN'S BUREAU, DEPARTMENT OF LABOR

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 212.

The PRESIDING OFFICER. The joint resolution will be read by title.

The LEGISLATIVE CLERK. A resolution (H. J. Res. 212) making a supplemental appropriation for the fiscal year ending June 30, 1945, for the Children's Bureau Department of Labor, and for other purposes.

Mr. McKELLAR. Mr. President, the joint resolution has passed the House and has come to the Senate. Its prompt passage is absolutely necessary, in order for it to be effective by the 10th of June, after it has been passed by the Senate and signed by the President. For that reason I am asking unanimous consent for its immediate consideration. The joint resolution is drawn up in the usual form. There are a number of States which will be unable to carry out the program for the Children's Bureau until the joint resolution is passed.

Mr. WHITE. Mr. President, I understand the purpose of the joint resolution is to provide for emergency maternity and infant care.

Mr. McKELLAR. That is correct. The appropriation would come under the Department of Labor, the Children's Bureau.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 212) was considered, ordered to a third reading, read the third time, and passed.

APPROPRIATION FOR EMERGENCY FLOOD-CONTROL WORK

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 208.

The PRESIDING OFFICER. The joint resolution will be read by title.

The LEGISLATIVE CLERK. A resolution (H. J. Res. 208) making an appropriation for emergency flood-control work, and for other purposes.

Mr. McKELLAR. Mr. President, the joint resolution provides an appropriation to carry out the provisions of a bill recently passed by the Senate. Prompt passage of the joint resolution is necessary.

Mr. WHITE. Mr. President, I take it that the joint resolution implements, by means of the requested appropriation, the authority which Congress has already granted.

Mr. McKELLAR. The Senator is absolutely correct.

Mr. WHITE. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the resolution (H. J. Res. 208) was considered, ordered to a third reading, read the third time, and passed.

CONGRESSIONAL SALARIES

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. MORSE. I wish to make a very brief statement which I think should be placed in the RECORD before the Senate adjourns or recesses for the weekend. I say that because I think there is a great deal of misunderstanding and misrepresentation in the press in regard to the expenses of Members of the Senate. I think it is most unfortunate that such a serious blow was struck against the economic stabilization program of this Government as the one which was struck yesterday by the House of Representatives of the United States Congress, and apparently condoned by the President of the United States in a press conference on yesterday.

I wish to make two points, Mr. President. I wish to say, without fear of successful contradiction, that the action taken by the House of Representatives yesterday was in direct violation of the economic stabilization program of this Government, and violated the spirit, intent, and purpose of the Act of Congress of October 2, 1942.

I think a great blow has been struck against the anti-inflation program of the Government. I mean by that, Mr. President, that Members of the House on yesterday voted themselves a \$2,500 increase in salary. I have read every word of the debate which occurred in connection with the issue when it was before the House of Representatives, and there is nothing in it which can take away from the stigma attendant upon their voting themselves a wage grab increase in the midst of the war, in direct violation of the economic stabilization policies binding upon the remainder of our population. By voting for the increase the Members of the House have, in my judgment, performed a great disservice to this country.

I was greatly pained to read in the press last night that the President—I hope unthinkingly—condoned the action of the House of Representatives.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BARKLEY. I do not think it is fair to say that the President condoned the action of the House of Representatives. As I read the statement of the press, he had stated that he did not like what the House had done. He said he preferred the increase to have been in a more direct manner, and recommended an increase of more than \$2,500. I only recently took the same position on the floor of the Senate which the Senator from Oregon is taking with respect to the proposed \$2,500 increase. I have no regrets whatever for anything I said at the time, or the vote which I cast. But to say that the President condoned the increase is not fair, because the statement of the President was that he did not like the way by which the increase had been granted.

Mr. MORSE. I assure the Senator from Kentucky that what I want most to do is to be fair to the President because my good wishes are with him. Nevertheless, when he makes a statement which, in my judgment, is not in the economic interest of the country, and demonstrates that he is willing to violate our anti-inflation program, I think it is important that a voice be raised against his action. It is true that he made comments which be construed as a criticism of the indirection which the House used in voting themselves an increase in salaries, but he then went on to say that if the bill had provided for a salary of \$15,000 or \$25,000 he would have signed it. In other words he would have violated the orders binding upon himself and Congress, at least morally, to a greater amount than did the House.

I think a case can be made out for such an increase as the President suggests after the economic stabilization emergency has passed, but no case can be made out for it at the present time. I say that because one of the great domestic problems confronting the country is that of holding the line against inflation. I certainly hope the administration will change its approach to this problem from the one made by the President yesterday. United support in protecting our American dollar from inflation is vital to the welfare of every man, woman, and child in this country.

In closing my remarks, Mr. President, I wish to point out that as a result of the debates held in the House of Representatives, and through newspaper reports an impression has been created that Members of the Senate voted themselves an increase in salary in an amount at least equal to the amount which was grabbed by the Members of the other House yesterday. Such an impression is the result of statements to the effect that Members of the Senate have available to them expense drawing accounts for their personal use. It was stated in an article in the New York Times last Sunday, that as with regard to the Members of the Senate, if they do not spend all the money allotted to their offices for clerk hire they are allowed to pocket the difference at the end of the year. I think it is important that someone should make clear

to the American people that any money voted by the Senate for office expense in connection with the operation of the offices of Senators is money which must be spent in the performance of official Government business, and that every cent of it must be accounted for, and that it must go through the accounting services of the Government. If any Member of this Senate does not use the telephone allowance, to which I referred a few days ago, by actually making official Government calls, the money remains within the United States Treasury. I do not know of a single Senator that would object to the House duplicating the type of strictly Government business expense budget which is provided by the Senate. That money is spent in the actual transacting of Government business.

However, under the guise of an expense allowance the Members of the other House have placed \$2,500 in their pockets, and they do not have to account to anyone for it. It amounts to a wage increase, and it violates the wage structure of the Congress of the United States as it existed on September 15, 1942. Every employer and every worker in the country, up to this hour, has been bound by the wage structure which existed on September 15, 1942, in this way: If today he is doing the same work which he did on September 15, 1942, he may not receive more money for his work unless he has not been a beneficiary under the application of the Little Steel formula or one of the other wage criteria of the War Labor Board. I think it is a sad reflection upon the Congress of the United States that, when confronted with the great job of holding the line and protecting the value of the American dollar, it voted to violate our anti-inflation program. I think it equally unfortunate for the President of the United States, in a conference with the press, to give the impression that he would violate the stabilization program still further if the Congress should violate it by enacting a law which called for an increase in salary to the Members of Congress even greater than the \$2,500 increase which the Members of the House voted for themselves.

THE SAN FRANCISCO CONFERENCE— NOTICE OF INTENTION TO ADDRESS THE SENATE ON TUESDAY

Mr. BURTON. Mr. President, I was present when the Senator from Kentucky [Mr. BARKLEY] and the Senator from Maine [Mr. WHITE] explained the arrangements for speaking on Monday next. I wish to concur in the arrangement to limit debate in order to hurry the passage of the OPA bill.

I also express appreciation of the action taken in connection with my desire to address the Senate. I had intended to do so on Monday. I will do so on Tuesday. I appreciate the opportunity which has been afforded me to ask for the attention of Senators on Tuesday at the beginning of the session on that date, at which time I shall address the Senate on the subject of international relations, particularly as they bear upon the proceedings now taking place at San Francisco, in an attempt to encourage our

delegation there in aiding the progress of the work which is being undertaken.

BRETTON WOODS AGREEMENT—NOTICE OF HEARINGS BEFORE COMMITTEE ON BANKING AND CURRENCY

Mr. WAGNER. Mr. President, on Tuesday next at 10:30 a. m. the Committee on Banking and Currency will hold hearings on the so-called Bretton Woods International Monetary Stabilization Act.

AUTHORIZATION FOR PRESIDENT OF THE SENATE TO SIGN JOINT RESOLUTIONS DURING RECESS

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President of the Senate be authorized during the recess which the Senate will take at the expiration of its session today to affix his signature to House Joint Resolutions 203 and 212, which the Senate has today passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. GEORGE, from the Committee on Finance:

Oscar B. Ryder, of Virginia, to be a member of the United States Tariff Commission for the term expiring June 16, 1951 (reappointment).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the postmaster nominations be confirmed en bloc and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc, and, without objection, the President will be notified forthwith.

That concludes the calendar.

RECESS TO MONDAY

Mr. BARKLEY. Mr. President, it is my purpose to move a recess until 11 o'clock on Monday, and I hope all Members of the Senate will note the hour.

As in legislative session, I move that the Senate now recess until 11 o'clock a. m. on Monday next.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess until Monday, June 11, 1945, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 8 (legislative day of June 4), 1945:

DEPARTMENT OF AGRICULTURE

John B. Hutson, of Maryland, to be Under Secretary of Agriculture.

SURPLUS PROPERTY BOARD

W. Stuart Symington, of Missouri, to be a member of the Surplus Property Board for the unexpired term of 2 years from October 3, 1944, vice Guy M. Gillette, resignation effective July 15, 1945.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERAL

Col. Paul Williams Thompson (captain, Corps of Engineers), Army of the United States.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 8 (legislative day of June 4), 1945:

POSTMASTERS

MARYLAND

Rose B. Cecil, Great Mills.

MINNESOTA

Carl O. Sandberg, Glen Lake.

NEBRASKA

Opal M. Moore, Liberty.
Albert L. Porr, Pawnee City.

NORTH DAKOTA

Fred W. Bork, Jud.

TENNESSEE

Lela Grace Wilson, Harrison.

TEXAS

Hattie Pearl Brenek, Sweet Home.

VERMONT

Carleton H. Bosworth, Bristol.

WEST VIRGINIA

J. Truman McCauley, Bunker Hill.
Pauline M. Alvis, Ceredo.
Mary Mariano, Dehue.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 8, 1945

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, offered the following prayer:

O Thou eternal God, as we bow together in the fellowship of prayer, may this moment of meditation and quietude be for us a veritable mount of vision where we shall receive insight and inspiration for the duties and responsibilities of another day.

May we surrender our minds to Thy divine wisdom, which never errs, and may our hearts be sensitized to Thy divine love, which never fails.

Grant that daily we may grow in nobler ways of living. Wilt Thou take our groping, faltering spirits and trans-

form them into centers of light and power and loveliness. We are not asking to be better than others but to be better than ourselves. May our souls be too strong to be chained and too large to be imprisoned by selfishness and self-seeking. May we lose sight of self in service for others.

We pray that the chosen representatives of our beloved country may be in the vanguard of those who labor for the coming of that day when men and nation shall walk together on that upper highway of good will and peace, and order their life by Thy law of love.

In the name of the Christ our Saviour, we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

SECOND ASSISTANT CLERK, COMMITTEE ON CLAIMS

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I offer a privileged resolution (H. Res. 290), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That until otherwise provided by law there shall be paid out of the contingent fund of the House additional compensation at the rate of \$1,000 per annum to the second assistant clerk to the Committee on Claims so long as the position is held by the present incumbent.

Mr. COCHRAN. Mr. Speaker, for years the law provided that the assistant clerk of the committee, basic salary \$1,800, should receive \$1,000 additional as long as the incumbent held the position. He entered the armed forces and a substitute was secured, but under the law only \$1,800 could be paid. The substitute has developed into an excellent clerk, but the chairman of the committee states that another position has been offered to the present clerk, and unless he is able to pay the salary that was received by the former assistant clerk she will resign.

The chairman of the committee presented a real case to the Committee on Accounts and the request was unanimously approved.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. CLEMENTS] be granted leave of absence until June 20, on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

LIVING QUARTERS FOR AMERICAN TROOPS IN GERMANY

Mr. PRICE of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PRICE of Florida. Mr. Speaker, I read from a letter I have just received from a boy in Germany, as follows:

GERMANY, May 31, 1945.

DEAR EMORY: Just a line to let you know that I came through the European theater of operations, you might say, on a prayer. Our unit, like many others, fought from the time of arrival until "cease fire" order was given. Combat, to me, was the most terrible experience I ever hope to go against.

Yes, the end of the war in this area left the enlisted men as well as junior officers wondering just who won the war. The military government refuses to inconvenience the German people in order to provide decent living quarters for American troops. At present we are in a schoolhouse on the Austrian border, still on the German side, sleeping 20 men on the hard floor in a room not larger than 20 by 20 feet. Needless to say, the men are pretty low as far as morale goes and many are writing their Representatives in Washington of conditions here that are unlike the rosy picture painted by the various newspapers at home. It is pretty hard to take, after what we have gone through. I'll only mention one—walking and crawling through blood and brains of men you have known so well.

EXTENSION OF REMARKS

Mr. SIKES (at the request of Mr. PRICE of Florida) was given permission to extend his remarks in the RECORD.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a letter from Sgt. Don Robinson, editor of the Forty-fifth Division News, and in the other to include a copy of an editorial from the Washington Post.

Mr. RICHARDS asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a poem, the Flag of Nations, by Miss Hallie McMillan, and in the other with reference to the Army point system, and to include therein a letter from a boy on the European front.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include therein a short letter from the Veterans' Aid Committee, from Bluffton, Ind., and also another article on the pauper's oath for veterans.

SMALLER WAR PLANTS CORPORATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the Smaller War Plants Corporation has done some good work in Massachusetts. Its last bimonthly report does not show where there is any decrease in the functions the Corporation was originally established to perform. In addition, the Seventy-eighth Congress placed on it important new duties in the matters of reconversion and contract termination.

I note by Sunday's papers that the Surplus Property Board issued a regulation, dated June 2, which designated the Smaller War Plants Corporation as the buying agent, or clearing house, on all purchases for veterans desirous of